



**A Year  
in Review**

Annual Report & Group  
Financial Statements 2017







**Today,  
tomorrow,  
together**

RTÉ is Ireland's national public-service media organisation – on television, radio, online and mobile.

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Raidió Teilifís Éireann Board

The 57th Annual Report and Group Financial Statements for the 12 months ended 31 December 2017 presented to the Minister for Communications, Climate Action and Environment in line with sections 109 and 110 of the Broadcasting Act 2009.

Is féidir leagan Gaeilge den Tuarascáil a íoslódáil ó  
[www.rte.ie/about/ie/policies-and-reports/annual-reports/](http://www.rte.ie/about/ie/policies-and-reports/annual-reports/)

# Vision

To champion Irish culture by captivating audiences with trusted, engaging and challenging content; celebrating our country's rich diversity; and cultivating Ireland's talent.

# Mission

To enrich Irish life with content that challenges, educates and entertains.

# Values

As an organisation and individually, RTÉ will be outward looking, creative, respectful, sustainable and accountable, collaborative and transparent, and will demonstrate the following behaviours:

## **Outward Looking**

Have a deep understanding of its audience and their needs.  
Invest time and energy in monitoring changes in the media landscape.

## **Creative**

Be resourceful and innovative in how it makes its content.  
Be brave, take risks and be willing to learn from failures.

## **Respectful**

Treat people, including staff and partners, with respect, even when it challenges.  
Nurture trust by being fair and open about the decisions it makes.

## **Sustainable and Accountable**

Manage its business in a responsible manner.  
Be accountable to each other within RTÉ and to audience and stakeholders.

## **Collaborative**

Work together, bringing the 'One RTÉ' organisation to life.  
Join forces with partners to meet the needs of RTÉ's audience.

## **Transparent**

Make decisions openly.  
Be upfront about the reasons for the actions taken.

## Highlights



Over 1,000,000 people tuned into RTÉ Radio 1 every week.



More than 1,300,000 viewers tuned in to RTÉ One's *The Late Late Toy Show*, the most-watched television programme in 2017.



RTÉ Sport delivered 617 hours of original sport programming on television in 2017.



RTÉ Player delivered more than 51.5 million streams, a 2% increase on 2016.



The RTÉ Concert Orchestra and RTÉ 2fm presented seven sell-out concerts nationwide, in an innovative youth-oriented dance strand.



RTÉ Archives attracted a record number of online visitors, with 3.1 million visits in 2017 compared to 1.9 million in 2016.

# Chair's Statement

The Chair's report has an extra resonance this year since RTÉ has produced a new strategy for the next five years, which will bring us to the centenary of the foundation of the modern Irish State. The plan is built on the belief that RTÉ can and should be at the heart of Irish creative and cultural life into the future.

The 2018-22 strategy represents a renewed commitment to talent, to creativity and to innovation. RTÉ wants to be a key player in enabling Irish creative and cultural life to flourish on all domestic platforms and on a worldwide stage. As a fully integrated multimedia body equipped with appropriate skillsets, a more agile and efficient RTÉ will be well placed to continue its role in promoting Irish cultural values.

Public media has never been more necessary. In a media world dominated by the international, the commercially driven and the false, it is increasingly important to give authority and voice to the different, to the indigenous and to the creative.

Under the leadership of Director-General Dee Forbes, the organisation has been undergoing a complete renewal of its structures. The 'One RTÉ' plan, approved by the Board in 2016, moves RTÉ into a new era of technology, multiplatform production and media integration. Each area of activity is being examined and assessed for its value in the new technologically immersive online environment. The previous integrated business units, which formed the basis of the company's structure for a number of years, have been revised in favour of a new structure embedded in audiences and content. The creation of this structure and the filling of key posts have taken time, but in 2018 audiences should begin to appreciate the benefits of a new, more integrated approach to programming.

As the Board continue to develop strategies for the realisation of value from property holdings, the decision to sell a portion of the site at Donnybrook was implemented in 2017. This sale has enabled a re-imagining of the campus, with substantial works to follow over the next few years that will create a more accessible space. The Board also approved plans to use the proceeds of the sale for capital investment, debt reduction and a voluntary exit programme that will lead to a reduction in staff numbers over the next year.

As part of the renewal of all organisational structures, the Director-General has re-configured the Executive Board of RTÉ. Operations and Human Resources representation has been brought on to the Board and other key functions will now report through the Director-General. The creation of an Audience, Channels and Marketing division as well as a Content division are the first crucial steps in rethinking RTÉ's relationship with its audience, putting them at the centre of all future planning.

RTÉ continued its role as a place for national events and for shared viewing experiences. Whether it was the success of *Dancing with the Stars*, documentaries such as *Medication Nation* or old favourites like *The Late Late Toy Show*, the strong relationship with our audiences was maintained. Covering national stories,

such as the impact of Storm Ophelia, formed an important part of RTÉ's public remit.

For the fourth time in recent years, Radio 1 was awarded Broadcaster of the Year at the New York Festivals, a testimony to the continued quality of the main national public-service radio station.

New directions were also charted, with original stories composed for the RTÉ Player in Storyland and the Concert Orchestra's very successful tour in China.

The Board's standing committees continued their work. Each of them met a number of times during the year and added significantly to the Board's understanding of the matters under its remit. I would like to thank all of my colleagues on the Board for their efforts on behalf of the organisation this year and to note the retirement from our ranks of Fergus Armstrong. He served over eight years and bridged the transition from the old RTÉ Authority to the Board. Fergus's wisdom and dedication were greatly appreciated by his colleagues during that period.

The Board established a special committee to liaise with the Executive in the drafting of the strategy for 2018-22. Chaired by Dr PJ Mathews, the committee met nine times over a number of months and did valuable work in bringing the Board's perspective to the strategy document as it was developed. This exercise was valuable on both a policy and organisational level, and increased the mutual understanding of the Board and the Executive.

In a year where RTÉ also integrated all of its trading activities, the Fair Trading Committee kept a watching brief on the changes in structures and ensured they met the standards set by RTÉ's Fair Trading Policy.

The Commercial and Technology Committee has been developing a plan for the preservation and exploitation of RTÉ's valuable archive facility. This has been a priority for the Board for some time. A steering group was set up, which will produce some specific proposals for the future governance of this crucial asset in the interests of the Irish people.

A new RTÉ Audience Council was appointed. Under the chairmanship of Aengus Mac Grianna, it has been working through the year to develop a number of projects to assist the Board in its understanding of audience needs and opinions. The term of this council will run into mid-2018.

RTÉ is re-imagining itself for the 21st century and will continue to build for the future through appropriate collaboration and partnerships. The development of the independent production sector and the creation of relevant content reflecting the changing needs and aspirations of the Irish nation are equally important ambitions for the organisation. Working with key stakeholders to develop a sustainable funding model for public media in these dynamic times remains the central challenge for this re-imagined RTÉ.

Moya Doherty  
Chair





# Director-General's Review

RTÉ experienced a year of very significant change in 2017. It was the beginning of a period of transformation that will run over the next few years.

Against a difficult financial backdrop, RTÉ introduced a radically new organisational structure; reduced the size of its workforce; developed a new five-year strategy (2018-2022); and managed the sale of more than 8 acres of land at its Donnybrook site – all while continuing to deliver a breadth of compelling programming and content for audiences every day.

## One RTÉ

Launched in March, 'One RTÉ', our new organisational structure, is designed to improve coordination, create a bigger impact with audiences and drive greater efficiency. With our new Audiences, Channels and Marketing division we are bringing audiences to the heart of our decision making. We have created a new Content division – organised around key genres and comprising TV, radio and digital teams – that will allow us deliver the most compelling programming and content to our channels and services.

We have reallocated resources and changed our structures in our News & Current Affairs division to deliver a digital-first news service alongside our broadcast news and current affairs output. We are also integrating all of our operations, which will streamline our production processes and allow us to become more efficient in all we do.

These structural changes will continue to bed in during 2018. It will take time for everyone to get used to new processes and new ways of thinking and working, but I believe it will position us well as we face the future and meet the fast-changing needs of our audiences.

As part of the structural changes four new members joined the Executive Board in 2017: Jon Williams as Director, News & Current Affairs; Eimear Cusack as Director, Human Resources; Frances Abeton as Director, Operations and Production Services; and Adrian Lynch as Director, Audiences, Channels and Marketing. I wish them well in their new roles.

## Renewing RTÉ for the Next Generation 2018-2022

In parallel to changing our structures and processes, much of our energy across 2017 was spent developing our strategy for the next five years.

As we are obliged to do by statute, in October we submitted our five-year strategy, *Renewing RTÉ for the Next Generation 2018-2022*, to the Broadcasting Authority of Ireland (BAI) for review. We set out how RTÉ will address challenges and renew itself to meet the needs of the next generation – a more connected generation for which RTÉ is only one of

many sources of news, entertainment and cultural experience. We set out our programming and content priorities, how we want to work and the financial assumptions that underpin our ambitions for the years ahead.

We believe the strategy is exciting and ambitious. The process of developing the strategy involved staff from across the organisation as well as a wide range of external stakeholders and partners. We know we have much to do to modernise the organisation and that process is already well underway.

## Changing Donnybrook – Releasing Funds for Investment and Restructuring

To address persistent shortfalls in capital spending, make critical investments in digital infrastructure and technology, help further restructure the organisation and reduce RTÉ's borrowing levels, RTÉ continued to develop its strategies for its property holdings and concluded the sale of part of its Donnybrook site to Cairn Homes plc in July 2017. This success is part of a complicated and multifaceted strategy to realise value from property holdings which has included the preparation of land for sale by relocating current operations, securing the necessary planning permission for a new entrance and obtaining the necessary consent from Government. During the second half of the year, we began construction of the new entrance on to the R138 and we are in the process of relocating existing activities to the Nutley end of the site. The *Fair City* lot will relocate in the first half of 2018.

Across 2017 RTÉ began developing detailed investment plans for new technology and necessary upgrades to broadcasting and other infrastructure. The proceeds from the sale also enabled the introduction of a voluntary exit programme, which was launched in September and saw a significant number of staff choose to leave the organisation. While it is always difficult to see talented and experienced staff leave, reducing our overall operating costs remains a key challenge and personnel-related costs represent a very large proportion of RTÉ's overall cost base. Before the end of 2017, 84 staff left and more will depart in 2018.

Two members of the Executive Board, Muirne Laffan and Willie O'Reilly, left in 2017. I would like to thank them, and all who departed, for their years of service to RTÉ and wish them the very best for the future.

## A Diversity of Programming

More than 1,000,000 people tuned into RTÉ Radio 1 every week during 2017, proving Radio 1's enduring value to Irish life, public discussion and debate. Every day Radio 1 delivers a diversity of programming, stories and tone unlike any other station in the country.



# Director-General's Review (continued)

RTÉ Television had an exceptional year in 2017. Despite increased competition from home and abroad, RTÉ One and RTÉ2 delivered all of the top 20 most-watched programmes in Ireland. We gave audiences more choices across a range of emerging platforms, with 33.6% of peak-time audiences tuning in to RTÉ's channels for quality, trusted, home-produced programming and news.

*Dancing with the Stars* burst on to screens in sparkling style in 2017 as the world-renowned format was given life for Irish audiences. It proved hugely popular across a range of ages, and with families in particular, on Sunday nights.

In 2017 we saw the return of the innovative chat show *The Tommy Tiernan Show*, where the host doesn't know who the guests are until they walk onto the set. In December, *Senior Moments* saw elderly actors and comedians offering a comical take on modern life.

The contemporary six-part thriller *Acceptable Risk*, set in Dublin and Montreal and written by Emmy award-winner Ron Hutchinson, was a welcome addition to RTÉ's drama output in 2017. The Irish-Canadian co-production – produced for RTÉ by Saffron Moon with funding from the BAI, Canadian producer Facet4, and co-financed by DCD Rights and Acorn Media Enterprises – is an example of the partnerships required to get high-quality drama into our schedules.

Across the year, RTÉ One broadcast a wealth of highly impactful documentaries. In *Ireland's Health Divide*, Dr Eva Orsmond lifted the lid on how the gap between rich and poor in Ireland led to significantly different health outcomes. In *The Class Divide*, Joe Duffy examined how higher education remained an unlikely option for people from disadvantaged backgrounds. Themes of isolation and the elderly were addressed in *David Brophy's Choir of Ages*, while *Autism and Me* told the story of autism from the inside, looking out, through the experiences of a young cast. *Deafening* took a similar form, looking at contemporary deaf identity in Ireland.

The lives of iconic characters from Irish sport and popular entertainment were marked in a series of keynote documentaries, including Johnny Giles (*Giles*), Christy Dignam (*This is Christy*) and rugby legend Anthony Foley (*Anthony Foley: Munsterman*). *Crash and Burn*, a co-production with BBC Northern Ireland and the Irish Film Board, told the extraordinary story of would-be Formula One driver Tommy Byrne.

Broadcast just before Christmas, the stunning *Fairytale of New York* was the most-watched documentary of the year in Ireland, with 36% audience share. On Christmas Eve we broadcast the stunning animation *Angela's Christmas* – a funny, heart-warming and poignant story about the power of family and the innocent desire of a child to ensure everyone is safe, warm and loved at Christmas. Towards the end of the year, our in-house production team delivered *Ireland's Greatest Sporting Moments*, in which the Irish public voted Pádraig Harrington's major win in 2007 ahead of every other sporting moment in the television age.

RTÉ Sport produced 617 hours of television content in 2017 and maintained its position as the number one sports broadcaster in Ireland. All of the top 20 programmes in 2017 were on RTÉ and 11 of them were sport-themed, from GAA to soccer to rugby.

The Football and Hurling Championships led with 134 hours of GAA coverage. While the All-Ireland final's featured in the top five most-watched programmes in 2017, the All-Ireland football semi-final between Dublin and Tyrone was also in the top 20, with 59% of the available audience watching. For the first time, RTÉ Sport also covered the All-Ireland camogie quarter-finals live, as well as the semi-finals and finals, while *The Sunday Game* featured female pundits on its coverage of camogie and hurling over much of the season.

## Reaching Younger Audiences

A series of thought-provoking documentaries on RTÉ2 gave voice to younger Irish adults and tackled a diverse range of themes. *Living with an Addict* explored the impact of addiction on relationships and *Schizophrenia: Voices in my Head* saw young Irish adults speak about living with schizophrenia. The ground-breaking series *My Trans Self* followed the lives of young transgender people in Ireland, documenting the emotional, physical and mental struggle involved as they transition. In the new series *Crowded House*, Brendan Courtney helped young adults make the break, emotionally and financially, from their parental home.

*First Dates Ireland* continued to provide a heart-warming look at romance in modern Ireland with a diverse range of daters. It proved to be a particular hit with younger audiences, capturing 34% share of 15-34 year olds and a 29% share of 25-44 year olds.

RTÉ 2fm saw audience growth in all key measures by year end. During 2017 it broadcast five of the top 10 programmes for the 15-34-year-old audience and 10 of the top 20 shows. *Breakfast Republic* and evening drive programme *The Eoghan McDermott*

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*Show* are the number one and two shows for this demographic, respectively, fulfilling RTÉ's remit to engage with all audiences in Ireland and recruit younger audiences as a priority.

For kids, 2017 saw a new 52-part RTÉ/Cbeebies animated series *Pablo*, which follows a smart, funny five-year-old boy on the autism spectrum. He uses his crayons and his creativity to transform obstacles into adventures in his art world. The series was celebrated as the first to feature a central character and cast who are all on the autism spectrum.

### Music and Culture

Highlights of the RTÉ National Symphony Orchestra's year included the appointment of Principal Guest Conductor Nathalie Stutzmann, whose concerts consistently attracted capacity audiences, and critical and popular acclaim. At the invitation of Maestro José Serebrier and the National Centre for Performing Arts in Beijing, the orchestra performed to a full house in Beijing in July, with the audience demanding no fewer than five encores.

An eclectic year saw the RTÉ Concert Orchestra continue its RTÉ 2fm live concerts, perform a wide range of musical genres, give a number of Irish premières and embark on its first tour of China. Regional events included a second classical night at the Galway International Arts Festival, a concert at the 40th Clifden Arts Festival and a concert to celebrate the 10th anniversary of the Solstice Arts Centre in Navan.

The hugely successful collaboration between the RTÉ Concert Orchestra and RTÉ 2fm was developed further with a new set at Electric Picnic. The Story of Hip Hop with DJ Mo K, rappers Mango and Jafaris, and singers Jess Kav and Erica Cody was added to the bill with the '90s dance classics set with DJ Jenny Greene and vocalist Gemma Sugrue. The dance classics night also returned to the 3Arena in Dublin and played two Live at the Marquee nights in Cork, one night at the Galway International Arts Festival and two nights at the INEC in Killarney.

The title sponsorship of RTÉ Choice Music Prize saw RTÉ join forces with supporters IMRO, Irish Recorded Music Association (IRMA), Recorded Artists Actors Performers (RAAP), Culture Ireland and Golden Discs to reinvigorate the prize's support of Irish home-grown music talent.

RTÉ lyric fm was named Music Station of the Year at the IMRO Radio Awards 2017. RTÉ lyric fm's coverage of *Composing the Island* gained the Outstanding Achievement Award.

In October, the first Irish-language opera was performed on stage for the first time in more than 100 years. The event was broadcast live by RTÉ Raidió na Gaeltachta together with RTÉ lyric fm.

Traditional music is one of the cornerstones of RTÉ Raidió na Gaeltachta's work and the station broadcast live from the Willie Clancy Summer School, Fleadh Cheoil na hÉireann and the Oireachtas festival in 2017.

In partnership with Conradh na Gaeilge, RTÉ 2fm continued its support of the *Ceol* album. Curated by Eoghan McDermott, it showcased hit songs in Irish by Ireland's biggest stars, such as Picture This, The Coronas and The Blizzards.

On Culture Night, RTÉ Radio 1 broadcast a three-hour outdoor live spectacular in Dublin Castle, led by the RTÉ Concert Orchestra.

In 2017 RTÉ One broadcast a pair of landmark presenter-led arts documentaries on Irish writers. Internationally renowned Irish actor Gabriel Byrne explored the enduring cultural and political influence of his idol, George Bernard Shaw, in *My Astonishing Self: Gabriel Byrne on George Bernard Shaw*; while screen legend Anjelica Huston told the story of James Joyce's extraordinary life and work in *James Joyce: A Shout in the Street*.

Filmed over four years, the critically acclaimed *Portrait of a Gallery*, produced by Wildfire Films, told the story of the refurbishment of the National Gallery of Ireland, one of the largest restoration projects in the history of the State.

The RTÉ.ie/culture website went from strength to strength in 2017, offering a broad range of writing, reviews and cultural features.

### A Year of Storms and Political Change

During the year, RTÉ News & Current Affairs began a process of becoming a genuinely 'digital first' news service. Each month, audiences accessed more than 78 million page impressions on RTÉ News Now – Ireland's most used news app. While broadcast audiences to RTÉ's news and current affairs programmes held steady, traffic to the RTÉ News Now app rose 16%.

Storm Ophelia in October resulted in huge audiences on TV. As the schedule was cleared for news coverage, 2.3 million people tuned into RTÉ One – an increased reach of 871,000 viewers against an average day.

Brexit and its implications for Ireland, both North and South, featured significantly throughout 2017, with RTÉ breaking a series of stories around the UK's negotiations with the EU. RTÉ also provided significant coverage of the terror attacks in London and Manchester, and the devastating fire that engulfed Grenfell Tower.

# Director-General's Review (continued)

The tragic crash of coastguard helicopter *Rescue 116* off the Mayo coast was one of the biggest domestic stories of the year.

The year also saw the retirement of one Taoiseach, the election of a second and the death of a third. In June, Enda Kenny stepped down after six years as Taoiseach and 15 years as leader of Fine Gael. Replacing him, Leo Varadkar became the youngest head of Government in the history of the State. By contrast, when Liam Cosgrave died in October aged 97, he was the longest lived of Ireland's Taoisigh – a man who led Ireland before his latest successor was even born.

During 2017, *Prime Time* led the way in breaking stories: from the crash of *Rescue 116* – and continuing concerns for Ireland's search-and-rescue helicopters – to revelations around Garda whistleblower Maurice McCabe. *Carers in Crisis* revealed the plight of nearly 200,000 people who dedicate their lives to caring for loved ones who are unable to care for themselves.

Throughout 2017, RTÉ Investigates produced a number of high-impact, public-interest programmes as well as investigative reporting across all of RTÉ News programmes and platforms. *RTÉ Investigates: Living on a List* revealed the pain and suffering of those on hospital waiting lists. It exposed the true number of patients on waiting lists, which was almost double the number published by the Department of Health, prompting questions in the Dáil. In November, *RTÉ Investigates: Nightmare to Let* revealed how unscrupulous landlords were maximising their profits by packing tenants into overcrowded and sub-standard accommodation. In one case, there were 60 tenants living in a single house.

After almost 30 years presenting *Morning Ireland*, Cathal Mac Coille retired from RTÉ in 2017, the first of some significant changes in RTÉ News. Two decades after he began on *Six One*, Bryan Dobson swapped TV for radio as one of the presenters of *Morning Ireland*. RTÉ announced that, in January 2018, Keelin Shanley and Caitríona Perry would take over as co-anchors of *Six One*.

## Connecting with Audiences Online and On Demand

RTÉ.ie, Ireland's number one media site, continued to grow in 2017, both in terms of users and content.

New sections added to the site included: [rte.ie/gaeilge](http://rte.ie/gaeilge), a section aimed at fluent speakers and 'cúpla focal-ers'; and [rte.ie/brainstorm](http://rte.ie/brainstorm), a space for academic contributors to add to public debate and communicate fresh thinking on a broad range of issues. Unique browsers and page views continued to rise in 2017, averaging 54.1 million page views and six million unique browsers each month. Mobile traffic also rose from 54% in 2016 to 59% in 2017.

RTÉ Player, Ireland's leading broadcast video-on-demand service, continued to grow with a record number of streams in 2017. Now available on 11 platforms, more than 51.5 million streams were served, representing a 2% increase on 2016. RTÉ Player had several exclusive commissions and productions throughout the year, including a six-part series with Stefanie Preissner called *How to Adult* and a fitness series with *Dancing with the Stars* presenter Amanda Byram.

RTÉ launched its Archives News Collection in October 2017. Some 2,213 reports from March 1985 to May 1986 are now available online. With the help of the BAI Archiving Scheme, the aim is to publish 14 years of RTÉ news.

Throughout 2017, RTÉ updated its RTÉ News Now app with new features and functionality. The Regional news section, added in May, showcases stories from regional correspondents across the country. The updated push notification service, launched in June, provides even faster delivery of breaking news, interactive notifications and in-app messages. The updated app design, launched in November, provides streamlined navigation and easy content personalisation.

Through an innovative partnership with Amazon, RTÉ News, Nuacht RTÉ and RTÉ Weather were introduced as 'skills' on Alexa, Amazon's cloud-based voice service that launched in Ireland in December. As a result of this early development, RTÉ is the default news offered to people in Ireland when they ask "Alexa, what's new?"

Throughout 2017, Saorview maintained its position as the largest TV platform in Ireland. According to Nielsen, by the end of the year 661,000 homes had Saorview, which is 42% of all TV homes in Ireland. Saorview Connect, the new internet-connected product for Saorview, was launched in November.

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### **A New Trading Model**

In line with the broader 'One RTÉ' operating model, all of RTÉ's trading activities were integrated for the first time in 2017. This market-leading initiative was positively received by our client and agency marketplace. The trading team was developed with an agency-facing structure – for the first time, agency customers had a single point of contact for sales and pricing across all RTÉ platforms and services.

RTÉ's commercial revenue declined in 2017 compared to 2016 (which was a year of special events) as the cumulative impact of Brexit-related currency depreciation and investment uncertainty hit the advertising market in the Republic of Ireland. In advertising and sponsorship overall, RTÉ improved its share in the market segments in which it competes. This was the result of its new trading approach and RTÉ is well positioned to take advantage of any market recovery in 2018.

### **Financial Sustainability and the Future**

In 2017 year on year, notwithstanding a fall in commercial revenue, RTÉ significantly reduced its operating deficit (before exceptional items and tax) from a net deficit of €19.4 million in 2016, which included the cost of special events, to €6.4 million in 2017. Given that commercial revenue fell in 2017, this was a significant achievement, delivered through further cuts to operating costs, including the costs of special events.

However, RTÉ's current financial position is unsustainable. While the sale of land assets has provided resources to allow us address serious underinvestment in our infrastructure and technology, it will not solve our current inability to increase investment in our programming and journalism.

To meet the scope of the ambitions set out in our new five-year strategy, we must maximise and grow our commercial income and, like any business, maintain our focus on efficiencies. It also is clear that RTÉ cannot transform itself or plan for the future without clarity on its public funding.

If RTÉ is to return to a sustainable financial footing, meaningful Government action on reforming the licence fee system is essential. The current system is losing more than €50 million every year. Not only is this unfair on the majority that pay their TV licence fee, it is also limiting the potential of the whole independent production sector. Without action there will be far-reaching consequences for our journalism, for national cultural and creative expression, and for employment in the broader media sector.

Before Christmas 2017, the Joint Oireachtas Committee on Communications' report, *Future Funding of Public Service Broadcasting*, recommended a series of reforms to the licence fee system and to broadcasting policy. If implemented, these reforms could be transformative, not just for RTÉ, but for the whole creative sector in Ireland. This was most welcome. The recommendations set a clear direction; it is now time for Government to act.

In 2017, there was huge change in RTÉ and it was a year of planning for the future. We look forward to engaging with the BAI, Government and others once the review of our strategy is complete by mid 2018.

### **Dee Forbes**

Director-General, RTÉ

## Results and Operating Profit

With 2017 revenues at the same level as 2016, together with reduced operating costs for the year, RTÉ returned a lower Net Deficit before Exceptional items and Tax of €6.4 million for the year (2016 Deficit €19.4 million, which included the cost of special events). Commercial revenue for 2017 declined by 4% as Brexit and changes in the digital advertising market continued to have an impact on the Irish advertising market. Licence fee income increased by €7 million (up 4%), primarily as a result of the €6 million increase in public funding announced in Budget 2017, which was a part reversal of public funding cuts made since 2010. Total operating costs of €334.5 million were down by 2.5% compared with 2016, a year of significant special events covered by RTÉ, which gave rise to material incremental costs associated with the broadcast of the General Election, 1916 Centenary and sporting events.

There were a number of exceptional events for the organisation in 2017. RTÉ recorded an overall Net Surplus for the year of €42.1 million (2016 Net Deficit of €19.7 million), including a net gain after tax of €78.5 million from the sale of part of the Donnybrook site, less sales-enabling project costs, and after a large restructuring charge of €29.6 million.

### Summary Financial Highlights

	2017 €m	2016 €m	Change €m
Commercial Revenue	151.5	158.2	(6.7)
Licence Fee Revenue	186.1	179.1	7.0
Total Revenue	337.6	337.3	0.3
Operating Costs (excluding Special Events)*	(334.5)	(327.3)	(7.2)
<b>EBITDA** (before Special Events)</b>	<b>3.1</b>	<b>10.0</b>	<b>(6.9)</b>
Special Events Costs	-	(16.1)	16.1
<b>EBITDA</b>	<b>3.1</b>	<b>(6.1)</b>	<b>9.2</b>
Depreciation & Amortisation	(12.4)	(13.6)	1.2
Gain on Disposal of Intangible Assets	5.0	0.1	4.9
Net Finance (Expense) / Income	(2.1)	0.2	(2.3)
<b>(Deficit) before Exceptional Items &amp; Tax</b>	<b>(6.4)</b>	<b>(19.4)</b>	<b>13.0</b>
Land Sale Gain less Sales-Enabling Project Costs	99.5	-	99.5
Restructuring & Other Charges	(29.6)	-	(29.6)
<b>Surplus/(Deficit) after Exceptional Items and before Tax</b>	<b>63.5</b>	<b>(19.4)</b>	<b>82.9</b>
Tax	(21.4)	(0.3)	(21.1)
<b>Net Surplus/(Deficit) for the Year</b>	<b>42.1</b>	<b>(19.7)</b>	<b>61.8</b>

\*Operating Costs before Depreciation & Amortisation and excluding the incremental costs of Special Events in 2016.

\*\*EBITDA: Earnings before Interest, Tax, Depreciation, Amortisation and Exceptional items.

### Commercial Revenue

RTÉ's commercial revenue declined in 2017 as Brexit-related impacts, including currency depreciation and investment uncertainty, hit the ROI advertising market and the absence of any special events, which were present in 2016. The overall advertising market remained challenging. TV performance was affected by a continuing downturn in investment. TV advertising and sponsorship remained the largest source of commercial income, comprising 57% of total RTÉ commercial revenues for the year. RTÉ radio revenues performance was steady in a difficult market, with a decline of only 2% against a market backdrop of high single-digit declines. Digital advertising has seen steep declines in display advertising investment, reflecting steep falls in pricing and intense competition, with digital advertising and sponsorship revenues falling below expectation. Other income lines were more robust, with a decline of only 1% in the year.

	2017 v 2016 Change €m	Change %
Television Advertising & Sponsorship	(5.1)	-6%
Radio Advertising & Sponsorship	(0.5)	-2%
Digital Advertising & Sponsorship	(0.8)	-12%
Other Revenues Including Digital Content	(0.3)	-1%
Year-on-Year Movement	(6.7)	-4%
Commercial Revenue 2016	158.2	
Commercial Revenue 2017	151.5	



RTÉ introduced a new consolidated trading approach in 2017. TV, radio and digital commercial impacts are traded together, which received a positive response from both clients and agencies. In advertising and sponsorship overall, RTÉ has improved share in the market segments where it competes and is well positioned to take advantage of any market recovery in 2018.

### Television Licence Revenue

As RTÉ is a dual-funded public-service broadcaster with a broad range of statutory responsibilities, the level of public funding it receives to fulfil its role is crucial. The Department of Communications, Climate Action and Environment (DCCA) is responsible for the collection of licence fee monies due, both from An Post (the appointed agent for the sale of TV licences) and from the Department of Employment Affairs and Social Protection (DEASP) in respect of 'free' television licences. The DCCA then makes a grant-in-aid to RTÉ out of licence fee monies collected.

Of the €216 million total licence fee collected in 2017, €186.1 million (86%) was received directly by RTÉ. The remaining licence fee collected was used to pay An Post collection costs and related charges, to provide funding for the BAI Sound and Vision Fund, and to part fund TG4. Licence fee income received in 2017 was an increase of €7 million on 2016 levels of €179.1 million. The increase was primarily due to the €6 million increase in public funding announced in Budget 2017, which was a part reversal of the public funding cuts made since 2010. RTÉ welcomes this positive start by Government to address public funding levels. The number of licence fee units sold by An Post in 2017 also rose due to increased inspector levels and growth in net new household formations.

Latest evasion levels as calculated by the DCCA are 15% (2016) of chargeable domestic households and business premises. Evasion levels in Ireland are significantly higher than in the UK and other European countries and collection costs are more than double other European PSBs. An Post, the DCCA and RTÉ continue to work collaboratively to address evasion levels and this remains a key priority for 2018.

Ireland	15%
United Kingdom	6.5%
Germany	2%
Austria	4%
Denmark	9.9%
Switzerland	8.5%
Norway	6.8%

Source: EBU Report Licence Fee 2017 incl. Evasion Rates for 2016

A growing concern is the increase in the number of homes that do not have a traditional television set. This has been growing steadily over recent years, as per the Nielsen Establishment Survey, and is

now at 9.1% (January 2018). As media consumption patterns become more complex and continue to evolve, the television licence fee mechanism reflects less and less how people consume public-service content. It is for this reason that the mechanism is being changed in other countries to a media charge or other methods, rather than being device dependant.

Licence fee income received by RTÉ through public funding had been reduced by over €20 million since 2010 through a series of cuts and deductions made from the available pool of funding. These include part funding of TG4 directly from the licence fee, the increase in funding to the BAI Sound and Vision Fund, the cap imposed on the amount of licence fee received by way of 'free licences' from the DEASP and the €5 million reduction in Budget 2014 in the amount of public funding received. RTÉ welcomes the additional €6 million in public funding announced in Budget 2017 and €1.5 million announced in Budget 2018 as a partial reversal of the public funding cuts made in earlier years.

The BAI – as part of its annual review of funding for public-service broadcasters for 2013, 2014, 2015 and 2016 – recommended each year that there should be an increase in RTÉ's public funding to address the inadequate levels that RTÉ receives to meet its objectives as a public-service broadcaster.

The section 'How Your TV Licence Fee is Used' (see page 18) outlines how the licence fee is used, with 81% of total licence fee invested in RTÉ services and activities. The remaining 19% is invested in non-RTÉ activities, including the BAI Sound and Vision fund, TG4 deduction and support, and An Post collection fees.

### Operating Costs

Total operating costs in 2017 were €334.5 million, 2.5% lower compared with 2016, which was a year of significant special events covered by RTÉ (which gave rise to material incremental costs in 2016 associated with the broadcast of the General Election, 1916 Centenary and sporting events). Costs continue to be contained and 2017 operating costs were still 24% lower than 2008 levels.

	2017 v 2016 Change €m
Increase in Personnel-Related Operating Costs	0.4
Increase in Non-Personnel-Related Operating Costs	6.8
Reduction in Special Events Costs	(16.1)
Year-on-Year Reduction (Including Special Events)	(8.9)
Operating Costs 2016	343.4
<b>Operating Costs 2017</b>	<b>334.5</b>

# Financial Review (continued)

The increase in 2017 personnel-related operating costs (PROCs) was a result of the phased restoration of the voluntary staff pay cuts, which were fully restored as at December 2017, net of other reductions in resourcing cost levels. In 2015, an agreement was reached with staff and unions on the phased restoration of the voluntary staff pay cuts that were taken by staff in 2009. It was agreed that the pay cuts would be restored on a phased basis between December 2015 and December 2017. The increase in non-PROCs in 2017 was a result of increased costs of commissioned and acquired programming.

## Employee Numbers

At 31 December 2017, there were 1,924 (2016: 1,984) employees, of which 317 (2016: 278) were part-time/casual. The full-time equivalent headcount at 31 December 2017 was 1,746 (2016: 1,834), reflecting a 5% reduction year on year. This reduction occurred in December 2017 as 84 staff left during the first round of departures arising from the voluntary exit programme launched in 2017 as part of the overall organisation restructuring.

## Land Sale Net Proceeds

The RTÉ Board and RTÉ Executive continue to develop strategies for the realisation of value from its property holdings. As part of this, the RTÉ Board approved a decision to dispose of underutilised land at the western end of the Donnybrook site. Following a public procurement process in 2016, Savills was appointed to manage the land sale process. In March 2017, 8.64 acres of land at Donnybrook were released to the market in an open public sales process. Cairn Homes plc, an Irish house builder, was the successful bidder and the sale was concluded in July 2017 for €107.5 million. Direct sales transaction costs and other related expenditures totalling €2.8 million were incurred in relation to the land sale. These costs included sales and marketing, legal and corporate finance costs, planning and other third-party advisors to develop RTÉ's overall master plans for the Donnybrook site and to assist with the sale and various planning permission applications.

To deliver the lands unencumbered to the purchaser, a series of sales-enabling and relocation projects were required to be carried out, both pre-sale and subsequent to the sale. The total cost of the sales-enabling projects is expected to be €10 million, of which €6.9 million was incurred in 2017. The balance of €3.1 million will be incurred in 2018. Of the €6.9 million in 2017, €5.2 million is charged as an exceptional expense in the Income Statement and the remaining €1.7 million capitalised as assets.

In 2017, the gain on the land sale, net of sales-enabling costs, before tax was €99.5 million, which was recorded as an exceptional item. The land sale gain is also subject to corporation tax, with a related tax charge of €21 million provided for in 2017 that will be payable in 2018.

The funds released from the land sale will facilitate much-needed capital and digital investment, fund organisational restructuring and reduce borrowing levels.

## Restructuring and Other Charges

RTÉ Director-General Dee Forbes announced the 'One RTÉ' organisational structure in March 2017. It is designed to improve coordination of content, focus on audience needs, create bigger impact with audiences and help drive greater efficiency. As part of the overall restructuring and to reduce the operating cost base, the target is to reduce overall staffing levels by between 200 and 300 people and deliver ongoing annual sustainable savings to RTÉ. A key element of the restructuring programme was the launch of the VEP in September 2017, which included both retirement and redundancy options. Further elements of the restructuring activities included organisational design, conversion of financial systems to the new organisation structure and other advisory services.

The overall provision for the cost of restructuring and other charges was €29.6 million and is charged to the RTÉ 2017 Income Statement. The restructuring costs and other charges include the cost of the benefits provided to individuals leaving under the VEP, professional fees and advisory services costs relating to the VEP, the net change in amounts relating to pension reimbursements to the RTÉ Superannuation Scheme, the organisational design and other professional advisory services.

## Net Finance Expense

A net finance expense of €2.1 million arose in 2017 compared to a net finance income of €0.2 million in 2016, comprised as follows:

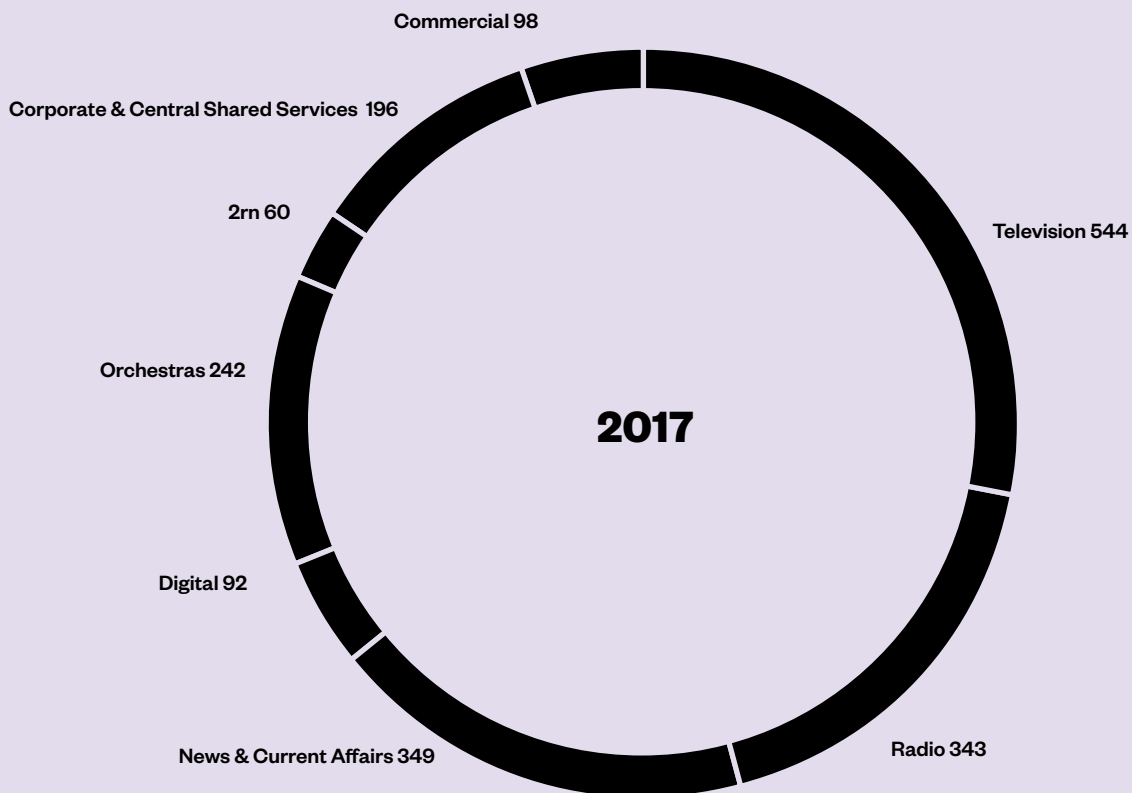
Finance income for 2017 was €0.5 million, compared to finance income in 2016 of €1.8 million. Net interest income of €0.5 million related to IAS 19 defined benefit pension scheme (2016 net interest cost of €1.2 million) and interest income on deposits, which was negligible in the year (2016: Nil).

Finance expense for 2017 amounted to €2.6 million, compared to an expense of €1.6 million in 2016. The expense of €2.6 million included interest payable on borrowings, interest on restructuring costs and fair value loss on cash flow hedge transferred from equity of €1.4 million (2016: €1.6 million) and fair value loss on derivative foreign currency contracts of €1.2 million (2016 gain of €0.6 million).

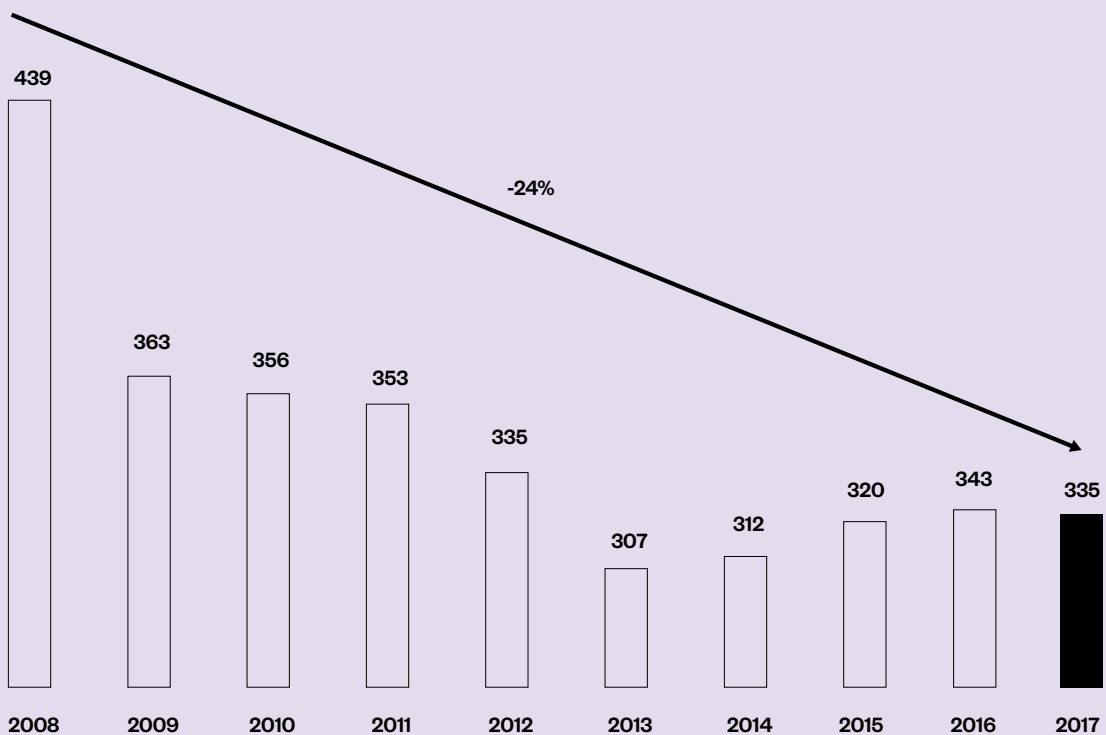
## Taxation

Continuing the strategies developed in previous years in respect of its property holdings, in 2017 RTÉ realised some of its holdings through the disposal of 8.64 acres of land at Donnybrook. There is a corporation tax charge of €21.4 million for the year ended 31 December 2017 that primarily relates to tax on the proceeds of part of the land realisation strategy. Also included is a deferred tax charge of €0.4 million (2016 tax charge of €0.3 million) from timing differences between capital allowances claimed and depreciation charged.

**EMPLOYEE NUMBERS**



**RTÉ OPERATING COSTS €M 2008 - 2017**



# Financial Review (continued)

## Cash Flow and Borrowings

As anticipated, the sale of land in Donnybrook had a positive impact on cash flow and borrowings resulting in a net cash position at 31 December 2017 of €58 million (2016: net debt €40 million)

Total cash balances including liquid investments at 31 December 2017 amounted to €107.1 million (2016: €17.7 million), an increase of €89.4 million. The movement in 2017 cash balances can be summarised as follows:

Summary Cash Flow Statement	2017 €m	2016 €m
EBITDA Before Restructuring		
Charge and Gain on Disposal of Assets	3	(6)
Operating Cash Flows – Working Capital	-	4
Restructuring cash flows – Payments	(11)	(3)
Investing Activities:		
- Capital Expenditure	(11)	(8)
- Proceeds on Sale of Assets	110	-
- Capital Grant Received	8	-
Financing Cash Flows:		
- Borrowings (Repayments)/Draw Downs	(8)	7
- Interest Paid	(2)	(2)
<b>Net Increase/(Decrease) in Cash and Liquid Investments</b>	<b>89</b>	<b>(8)</b>

Given the financial pressures experienced since 2008, there has been an increased focus on cash management and funding. This remained a key financial management priority throughout 2017 to ensure that adequate cash flow and facilities continue to be available.

RTÉ's banking arrangements and facilities are very important to the organisation, together with reviewing the adequacy of facilities. This focus on funding remains a key priority.

At 31 December 2017, RTÉ had bank borrowings of €49.5 million (2016: €57.9 million) comprised of:

- 2rn, RTÉ's transmission subsidiary, has a €40 million project finance loan facility agreement with Barclays Bank as part of the funding for the transmission and distribution infrastructure required for the Digital Terrestrial Television (DTT) project. This facility is outstanding at 31 December 2017. An additional term loan facility for €13 million was arranged and fully drawn down in 2016. Capital repayments on this loan commenced in 2017 with €9.5 million outstanding at 31 December 2017 (2016: €13 million).

- The Bank of Ireland term loan facility drawn down in 2012 and repayable over a five-year period was fully repaid at 31 December 2017 (2016: €1.9 million). In 2016, a new revolving credit facility for €15 million was arranged for a five-year period. This is a flexible financing arrangement where amounts can be drawn and repaid in line with RTÉ's requirements over the term. There were no amounts outstanding at 31 December 2017 (2016: €3 million).

## Financial Risk Management

The Board of RTÉ sets the treasury policies of the Group, which include financial instruments, cash management, interest rate risk, foreign exchange risk, liquidity risk and counterparty credit risk. These are set out in note 23 to the financial statements.

## Capital Grant

A capital grant was received from the DCCAE to facilitate the clearing of the Spectrum 700 MHz frequency band, as stipulated by the EU.

## Capital Expenditure and Gain on Disposal of Assets

RTÉ's total expenditure on capital projects in 2017 was €15.8 million (2016: €7.6 million), which included investment in technology and RTÉ assets, the Spectrum 700 MHz project and the sales-enabling projects carried out to support the sale of lands.

Investment occurred in technology of €6.6 million, including storage expansion, playout resilience, graphics systems, sales system upgrade, renewal and upgrade of the RTÉ Player, digital analytics and site infrastructural works. A continued focus has also been the ongoing investment in DTT broadcast infrastructure and network renewal projects.

As noted earlier, to deliver the lands sold to Cairn Homes plc, a number of sales-enabling projects were required to be carried out to relocate RTÉ activities to another part of the Donnybrook site and as required by the sales transaction. These infrastructural projects included the relocation of the RTÉ creche to facilitate the building of a new site entrance and access junction from the Stillorgan Road (R138) to the RTÉ site, and the relocation of both the RTÉ Sports and Social Club and *Fair City* lot. The total cost of the sales-enabling projects incurred in 2017 was €6.9 million.

Capital expenditure incurred on the 700 MHz migration project during 2017 was €2.7 million. This project involves migrating broadcast services out of the 700 MHz frequency band by 2020 and is primarily funded by the DCCAE.

In early 2017, RTÉ disposed of its UK electronic programme guide (EPG) slots on the Sky platform, an intangible asset, realising a gain of €5 million before tax, which was part of the operating results for the year.

## Regulation

The *Code of Practice for the Governance of State Bodies* was updated by the Department of Public Expenditure and Reform and came into effect on 1 September 2016. It is applicable for financial reporting periods beginning on or after that date. RTÉ complies with the updated code.

RTÉ is regulated by the Broadcasting Authority of Ireland (BAI) in relation to its obligations as a public-service broadcasting corporation. RTÉ (as required by the *Broadcasting Act 2009*) cooperates with the BAI in the annual and five-year public funding reviews carried out by the BAI under section 124 of the Act. During 2017 RTÉ has been engaged in a major strategic review leading to the development of its 2018-2022 strategy. The strategy is focused on ensuring that RTÉ continues to deliver its services and meets the needs of its audiences in an environment of rapidly changing distribution and consumption patterns. The strategy has been provided to the BAI for consideration as part of the five-year review.

In line with Government and BAI requirements, RTÉ's Fair Trading Policy and Procedures is published on the RTÉ website. The policy and procedures set out a framework grounded on:

- Clear separation between commercial activities and public services
- Fair trading in line with market principles
- Transparency and accountability

The Commission for Communications Regulation (ComReg) previously designated RTÉ and 2rn as having significant market power (SMP) in the markets for the provision of transmission and distribution services to radio broadcasters and the DTT multiplex operator as well as the downstream supply of DTT multiplexed services to broadcasters. The decision placed certain obligations on both RTÉ (Market B) and 2rn (Market A). Separated accounts comprising regulated accounts for each of Market A and Market B, together with primary accounting documentation are published in accordance with regulatory requirements.

## Pensions

RTÉ operates three pension schemes for its employees: a defined benefit (DB) scheme, a defined contribution (DC) scheme and a hybrid scheme (elements of DB and DC).

### RTÉ Superannuation Scheme

The RTÉ Superannuation Scheme is a funded, contributory DB scheme, established under legislation and sponsored by RTÉ. No new employees have been admitted to the scheme since 1989. As at 31 December 2017, RTÉ had 181 employees (213 as at 31 December 2016) who were members of the scheme.

As at 31 December 2017, the assets of the scheme had a market value of €1,053 million (2016: €1,043 million). At 31 December 2017, the liabilities of the scheme, as valued in accordance with IAS 19 *Employee benefits*, were €1,005 million (2016: €1,016 million). As required under IAS 19, the excess or shortfall of the assets compared to the liabilities of the scheme is reported as an asset or liability on RTÉ's statement of financial position. Therefore, as at 31 December 2017, there is a pension asset of €48 million reported in respect of the scheme (2016: €27 million). The main driver behind the increase in the pension asset was a slight increase in the discount rate used to value the liabilities, coupled with investment returns in excess of those assumed.

In addition, the actuaries to the scheme have considered the scheme's position with liabilities measured under the minimum funding standard (MFS). As at 31 December 2017, the actuaries estimated that there was an MFS surplus of €159 million (2016: €97 million). In addition, the scheme has also met the funding standard reserve requirement at 1 January 2018. These are both very positive results and there is no requirement for a funding proposal in 2018.

### RTÉ Defined Contribution Scheme

The RTÉ Defined Contribution Scheme is a funded, contributory DC arrangement that has been open to new members since 1989. As at 31 December 2017, RTÉ had 1,200 employees (1,272 at 31 December 2016) who were members of the scheme.

### RTÉ 50/50 Risk-Sharing Pension Scheme

The RTÉ 50/50 Risk-Sharing Pension Scheme is a funded, contributory hybrid scheme with DB and DC elements sponsored by RTÉ. The scheme commenced in September 2010 as an optional pension arrangement for eligible employees. As at 31 December 2017, RTÉ had 326 employees who were members of the RTÉ 50/50 Risk-Sharing Pension scheme (332 at 31 December 2016).

As at 31 December 2017, the assets of the DB section of the scheme had a market value of €17.1 million. Under IAS 19, the liabilities of the DB section were €14.3 million, giving rise to a surplus of €2.8 million (2016 surplus €1.95 million). This is reported as an asset on RTÉ's statement of financial position.

The DB section of the scheme has a surplus under MFS and meets the solvency requirements under the risk reserves, so no funding proposal is required for this scheme.

## Insurance

Appropriate insurance cover is held for a range of material insurable risks, including sizable catastrophe risks, subject to relevant deductions and exclusions.

## Legal Proceedings

RTÉ and its subsidiary companies are party to a range of legal proceedings, including ones in which claims have been asserted against RTÉ or its subsidiaries but the outcome of which remain uncertain. Based on the advice received, RTÉ believes that necessary steps have been taken to ensure the outcome of all of these proceedings will not, in aggregate, have a long-term significant adverse effect on RTÉ's financial condition, results or liquidity.

## Outlook

While the 2017 land sale was a significant and positive transaction that provided much-needed resources, the financial outlook for 2018 and beyond remains very challenging, with inadequate levels of operational funding from both licence fee and commercial revenue to fund its obligations.

- The net proceeds from the land sale provided much-needed funds for long-term strategic capital and digital investment, and for restructuring and reshaping the organisation to enable RTÉ to continue to meet the changing needs of audiences and reduce its cost base and borrowing levels. While the sale of land assets has provided resources to allow RTÉ to address its underinvestment in infrastructure and technology, it will not solve the requirement to increase investment in programming and content.
- Economic growth is returning to the Irish economy. In previous years, this would have seen growth in advertising revenue, however this is no longer the case. With increased competition and audience fragmentation, especially in the television market place, together with an increase in UK opt-out channels each year and the ongoing impact of Brexit, the generation of commercial revenues remains challenging.
- The current television licence fee collection system is not fit for purpose, with the current system losing more than €50 million every year for public-service broadcasting. As media consumption continues to evolve, the television licence fee reflects less and less how people consume public-service content. Ireland has one of the highest licence fee evasion rates in Europe and one of the highest collection costs. Reform of

the television licence fee system – by decoupling it from televisions and redefining the TV device, improving and consolidating databases, and driving down the costs of collection – has the potential to yield substantial additional revenue for investment in public-service media, without increasing the burden on individuals or households.

- RTÉ welcomes the findings of the Joint Oireachtas Committee on Communications. Its report, *Future Funding of Public Service Broadcasting*, recommends a series of reforms to the licence fee system and to broadcasting policy that, if implemented, could be transformative, not just for RTÉ but for the whole creative sector in Ireland.
- RTÉ also welcomes, as a positive start to addressing public funding levels, the €7.5 million increase in licence fee funding announced in Budget 2017 and Budget 2018, part reversal of the €20 million cuts made since 2010.
- RTÉ will continue with the organisational restructuring, which will involve further reductions in staffing levels and will deliver ongoing sustainable reductions in its cost base.
- In October 2017 RTÉ submitted its five-year strategy, *Renewing RTÉ for the Next Generation 2018-2022*, to the BAI for review. It outlines how RTÉ will meet the challenges of the future and renew itself to meet the needs of the audiences within a much more complex and diverse media. It sets out programming and content priorities and the financial assumptions that underpin ambitions for the years ahead.

## How Your TV Licence Fee is Used

The utilisation of licence fee monies received by RTÉ to fund its public services is reported in note 2 to the financial statements. The basis on which the licence fee is attributed to channels and services is set out in note 2(c).

RTÉ attributes public funding to individual services in a way that reflects the net cost of the public service. The net cost of public service is determined by deducting the contribution from commercial activities from the gross cost of delivering the public service.

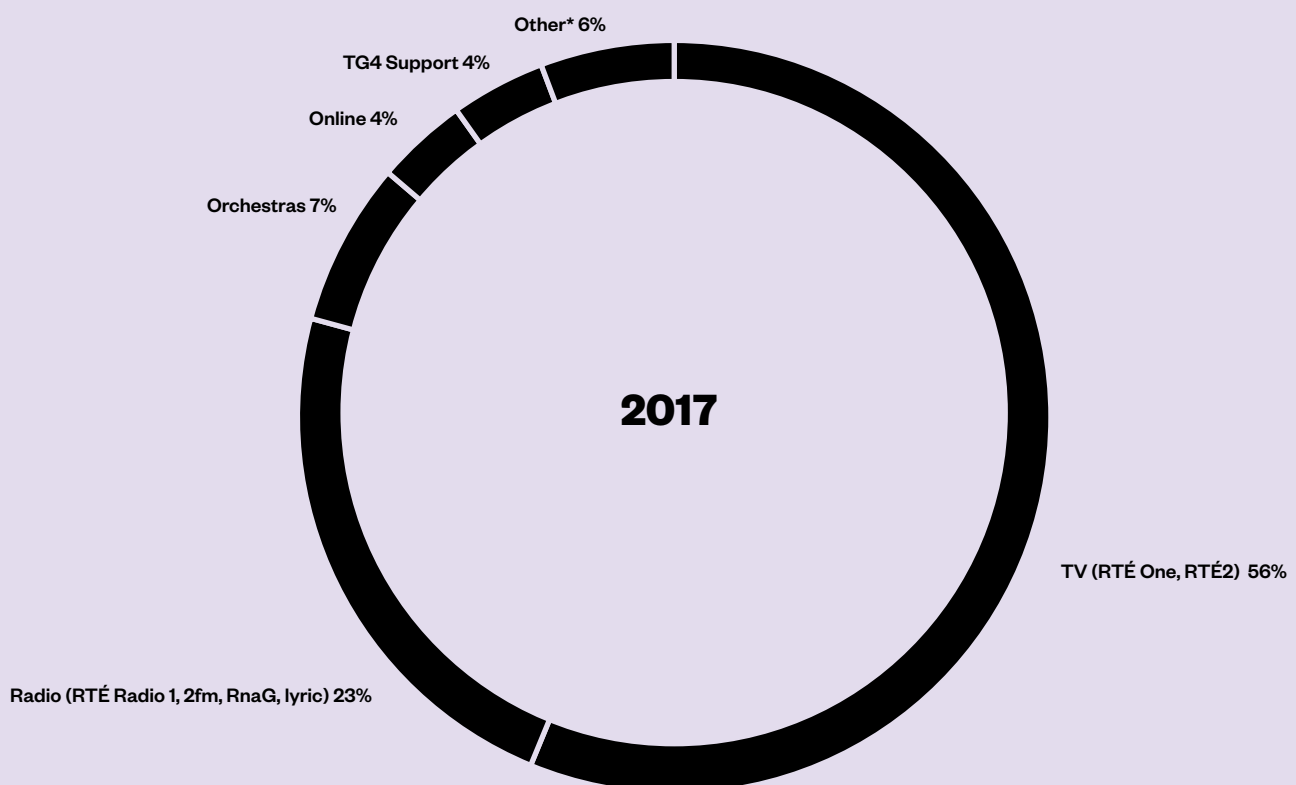
The following table represents how an individual TV licence fee is used, bearing in mind that RTÉ is not the sole recipient of TV licence fee monies:

### Utilisation of Each TV Licence Fee Collected

	2017 €	2016 €
RTÉ One	46.19	46.23
RTÉ2	30.20	29.52
RTÉ Television	76.39	75.75
RTÉ Radio 1	13.26	12.83
RTÉ 2fm	4.92	3.74
RTÉ Raidió na Gaeltachta (RnaG)	8.47	8.55
RTÉ lyric fm	4.60	4.46
RTÉ Radio	31.25	29.58
RTÉ Orchestras	9.55	9.41
Governance and Financing Charges	3.20	4.54
DTT Related	0.78	0.48
Online Services	5.33	3.47
Other Channels	3.83	3.14
RTÉ Activities	130.33	126.37
	81%	79%
RTÉ Support for TG4	5.53	5.65
BAI Levy	0.96	1.10
TG4 Deduction	3.12	6.87
BAI Sound & Vision Fund	10.53	10.53
An Post Collection Costs and Related Charges	9.53	9.48
Non-RTÉ Activities	29.67	33.63
	19%	21%
Cost of TV licence	€ 160	€ 160

The pie chart below summarises the attribution of the TV licence fee revenues that were received by RTÉ to the public-service element of RTÉ's activities during 2017.

### ALLOCATION OF LICENCE REVENUE RECEIVED BY RTÉ IN 2017



\*Other includes governance and financing charges, DTT related and other channels

# Financial Review (continued)

## Cost Per Transmitted Hour

As part of its Annual Statement of Performance Commitments, RTÉ publishes the average cost per transmitted hour of programmes broadcast by channel. The table below provides this information for 2017, together with comparative figures for 2016.

2017	RTÉ One €'m	RTÉ2 €'m	RTÉ Radio 1 €'m	RTÉ 2fm €'m	RTÉ lyric fm €'m	RTÉ RnaG €'m
<b>Costs</b>						
Indigenous Programming	106.9	43.5	33.0	10.8	5.2	10.2
Acquired Programmes – Ireland	1.8	0.3	-	-	-	-
– Overseas	13.3	11.6	-	-	-	-
General Broadcast & Transmission Operations	12.2	11.2	2.7	0.5	0.4	0.3
Transmission & Power Charges	2.6	2.8	2.0	1.1	1.1	1.1
	<b>136.8</b>	<b>69.4</b>	<b>37.7</b>	<b>12.4</b>	<b>6.7</b>	<b>11.6</b>
<b>Hours</b>						
Annual Transmission Hours (incl. simulcast)	8,760	8,760	8,871	8,760	8,760	8,760
<b>Overall Average Cost per Transmitted Hour – 2017</b>						
	€	€	€	€	€	€
<b>All Transmission Hours</b>	<b>15,600</b>	<b>7,900</b>	<b>4,200</b>	<b>1,400</b>	<b>800</b>	<b>1,300</b>
<b>2016</b>						
	RTÉ One €'m	RTÉ2 €'m	RTÉ Radio 1 €'m	RTÉ 2fm €'m	RTÉ lyric fm €'m	RTÉ RnaG €'m
<b>Costs</b>						
Indigenous Programming	111.7	47.6	32.9	10.7	5.1	10.1
Acquired Programmes – Ireland	2.8	0.3	-	-	-	-
– Overseas	12.3	10.3	-	-	-	-
General Broadcast & Transmission Operations	13.1	11.5	1.8	0.5	0.3	0.3
Transmission & Power Charges	2.7	2.8	2.0	1.1	1.1	1.1
	<b>142.6</b>	<b>72.5</b>	<b>36.7</b>	<b>12.3</b>	<b>6.5</b>	<b>11.5</b>
<b>Hours</b>						
Annual Transmission Hours (incl. simulcast)	8,784	8,784	8,949	8,784	8,784	8,784
<b>Overall Average Cost per Transmitted Hour – 2016</b>						
	€	€	€	€	€	€
<b>All Transmission Hours</b>	<b>16,200</b>	<b>8,300</b>	<b>4,100</b>	<b>1,400</b>	<b>700</b>	<b>1,300</b>
<b>Annual Movement</b>						
<b>% Change in Cost per Hour<sup>1</sup></b>						
<b>All Transmission Hours</b>	<b>(3.8%)</b>	<b>(4.1%)</b>	<b>3.5%</b>	<b>0.9%</b>	<b>3.2%</b>	<b>0.6%</b>

1. Costs per hour are rounded to nearest hundred euro. Percentage changes are calculated from the costs per hour before rounding.

Changes in average cost per transmitted hour are due to changes in programme costs due to a range of factors including changes in programme type and programme mix, levels of co-funding, the number of first transmission hours and repeat programming.



# Who We Are

## Television

RTÉ ONE

RTÉ ONE 

RTÉ 2



RTÉ News **NOW**

## Radio

RTÉ RADIO 1

RTÉ  FM

RTÉ lyric fm

RTÉ 

RTÉ 

RTÉ pulse

RTÉ RADIO 1  


RTÉ **GOLD** 



RTÉ radioplayer 

## News and Current Affairs

RTÉ News & Current Affairs

## Sport

RTÉ Sport

## Digital

RTÉ.ie

RTÉ **player** 

RTÉ AERTEL

RTÉ Archives

RTÉ News **NOW**

## Orchestras, Quartet and Choirs

RTÉ NATIONAL SYMPHONY ORCHESTRA 

RTÉ CONCERT ORCHESTRA 

RTÉ CONTEMPO QUARTET 

RTÉ PHILHARMONIC CHOIR 

RTÉ Cór na nóg 

RTÉ GUIDE



2rn 

# The Moments That Make Us

**RTÉ is at the very heart  
of our national conversation.**

In 2017, RTÉ transmitted 4,731 hours of home-produced programming, with 1,520 hours produced in partnership with the Irish independent sector.



New talent: Irish comedian Alison Spittle made her television debut on RTE2 with *Nowhere Fast*.



# Operational Review A Year in Review Television

## About RTÉ's Television Services

RTÉ's television services offer distinctive public-service programming that entertains, challenges and informs audiences of all ages. We provide the broadest range of home-produced programming in Ireland across RTÉ One HD, RTÉ One +1, RTÉ2 HD, RTÉ News Now, RTÉjr and TRTÉ.

RTÉ television had an exceptional year in 2017. Despite increased competition from home and abroad, RTÉ One and RTÉ2 delivered all of the top 20 most-watched programmes in Ireland. We gave audiences more choices across a range of emerging platforms, with 33.6%\* choosing to tune into RTÉ's channels for quality, trusted, home-produced programming and news.

\*Consolidated peak share of RTÉ One, RTÉ2, RTÉ One +1, RTÉjr, RTÉ News Now (national individuals 4+).

## Ireland's Creative Talent

The very best of Ireland's creative talent delivered quality programming of scale for audiences in 2017 as RTÉ provided 20 of the most-watched television programmes of the year.

Telling Irish stories, celebrating our culture and shining a light on contemporary issues was at the heart of RTÉ's programming, from programming for families – such as *Dancing with the Stars* and *Weather Live* – to compelling drama, landmark documentaries and more from the RTÉ Investigates team.

## Bringing the Nation Together

From news to sport to entertainment, Irish audiences joined the national public-service broadcaster in huge numbers in 2017.

RTÉ's total television share during peak time grew in 2017. This was largely driven by a strong performance from RTÉ One, which increased its audience and consolidated its position as the number one channel in Ireland. Despite the availability of more than 800 channels, home-produced programmes on RTÉ One and RTÉ2, across a variety of genres, proved most popular with Irish audiences.

## Collaboration

RTÉ collaborated with a number of national and international partners to deliver a broad slate of diverse programming and events to Irish audiences.

RTÉ and Bord Scannán na hÉireann/Irish Film Board also launched a partnership to develop and support new Irish scripted comedy projects with export potential.

## RTÉ One

### Family Events

As part of a partnership with Science Foundation Ireland, the Broadcasting Authority of Ireland (BAI) and Met Éireann, *Weather Live*, a new factual entertainment format, was the cornerstone of RTÉ's commitment to Science Week. Broadcast live across the week from the Botanic Gardens, it featured inserts from across the country and proved popular as a family event on RTÉ One as well as engaging audiences online. *Big Week on the Farm* returned for a second series and was transmitted live over five consecutive nights in April from Patrick Shalvey's family-run dairy farm outside Cootehill in Co Cavan. *Ploughing Live*, hosted by Marty Morrissey and Áine Lawlor, played live from Screggan, Co Offaly over three nights in September. It increased both its audience numbers and its share from 2016.

RTÉ One was once again the main focal point for all major national celebrations and festivals, including St Patrick's Day 2017 and the Rose of Tralee.

### Top-class Irish Entertainment

*Dancing with the Stars* burst on to screens in 2017 in sparkling style as the world-renowned format was given life for Irish audiences. It proved hugely popular across a range of ages, and with families in particular, on Sunday nights.

*Ireland's Fittest Family* had a new addition – rugby legend Donnacha O'Callaghan joined Irish sports stars Derval O'Rourke, Anna Geary and Davy Fitzgerald in the coaching line-up.

*The Late Late Toy Show* anchored its place as the TV event of the year with an average audience of 1.3 million people across the country watching over the weekend it was broadcast. It was also watched by people in 110 countries on the RTÉ Player. The heart-warming and emotional show featured talented children from around the country and of diverse backgrounds.

## Top 10 Programmes

1st January - 31st December 2017 All Channels Consolidated National Individuals Aged 4+

Counter	Description	Channel	Day of week	Date	Time	TVR	000s	Share %
1	The Late Late Toy Show	RTÉ One	Fri	01-12-2017	21:37 - 24:04	31.5	1,346	70.22
2	All-Ireland Senior Football Final: Dublin v Mayo	RTÉ2	Sun	17-09-2017	15:31 - 17:14	26.7	1,141	79.88
3	World Cup 2018 Playoff: Republic of Ireland v Denmark	RTÉ2	Tue	14-11-2017	19:46 - 21:33	24.3	1,039	57.55
4	All-Ireland Senior Hurling Final: Galway v Waterford	RTÉ2	Sun	03-09-2017	15:30 - 17:03	21.4	917	72.85
5	World Cup 2018 Qualifier: Wales v Republic of Ireland	RTÉ2	Mon	09-10-2017	19:46 - 21:39	20.3	866	49.05
6	RBS 6 Nations: Ireland v France	RTÉ2	Sat	25-02-2017	16:52 - 18:49	20.2	826	62.40
7	RBS 6 Nations: Wales v Ireland	RTÉ2	Fri	10-03-2017	20:06 - 21:58	20.0	818	48.26
8	RTÉ News: Nine O'Clock	RTÉ One	Sun	15-10-2017	21:02 - 21:21	19.8	846	47.00
9	RBS 6 Nations: Ireland v England	RTÉ2	Sat	18-03-2017	17:05 - 18:53	18.4	753	58.36
10	Mrs Brown's Boys CSI: Mammy	RTÉ One	Sun	31-12-2017	21:46 - 22:18	17.6	753	46.61

Source: TAM Ireland Ltd/Nielsen TAM  
Any Day Any Time - Best Episode. Ranked by TVR (note universe changes three times per year)  
Minimum programme duration is 15 minutes

# Operational Review A Year in Review Television (continued)

Live and entertaining chat continued to be the anchors of the prime-time weekend schedule with *The Late Late Show* and *The Ray D'Arcy Show* going from strength to strength, while *Brendan O'Connor's Cutting Edge* returned midweek to dissect the events of the week.

In 2017 we saw the return of the innovative chat show *The Tommy Tiernan Show*, where the host doesn't know who the guests are until they walk onto the set and, in December, *Senior Moments* saw elderly actors and comedians offering a comical take on modern life.

Music programming also remained strong on RTÉ One, with the return of the enormously popular *Nathan Carter Show*, which this year included a Christmas Special from the Opera House in Belfast, and the *Fleadh Cheoil*.

## Partnerships a Hallmark of RTÉ drama

Original dramas were delivered to audiences in 2017, including *Striking Out* and *Acceptable Risk*, alongside RTÉ soap *Fair City* and talent development initiative Storyland.

Four-part legal drama *Striking Out* – featuring Amy Huberman, Neil Morrissey and Rory Kennan – launched in January and achieved an average audience share of 36.5%. Set in Dublin, it was produced by Blinder Films and co-financed by RTÉ, international distributors DCD Rights and Acorn Media Enterprises, the BAI and Section 481. As well as proving a hit with audiences at home, it has subsequently launched for Acorn Media Enterprises in the US and on Sundance International across a number of territories. It also sold to Channel 5 in the UK and a number of other territories.

The contemporary six-part thriller *Acceptable Risk* was written by Emmy award-winner Ron Hutchinson and featured Elaine Cassidy, Angeline Ball and Morten Suurbelle. Set in Dublin and Montreal, the original standalone serial was an Irish-Canadian co-production produced for RTÉ by Saffron Moon with funding from the BAI and with Canadian producer Facet4. It was co-financed by DCD Rights and Acorn Media Enterprises.

## Developing New Talent and Encouraging Diversity

In RTÉ's Storyland, five 20-minute original dramas were commissioned for the RTÉ Player in partnership with Northern Ireland Screen. The episodes – *Odyssey*, *On the Hemline*, *Cry Rosa*, *A Sign of Things* and *Bright Night* – came from Cork, Dublin and Belfast and told diverse stories around the theme of 'home'. A change in how applications were submitted made a significant positive impact on diversity. The gender balance improved as more women applied to write, direct and be creative producers, providing organic implementation of RTÉ's mission to increase the diversity of entry-level commissions.

RTÉ's outreach programmes with Film Base and the Galway Film Centre facilitated three short film commissions.

RTÉ continued its investment in developing new drama writers and script editors. During 2017, *Fair City* held a story workshop that brought nine new story writers forward and also introduced four new script writers to the writing team. *Fair City* also completed the training of an assistant script editor, bringing them to script editor status.

RTÉ produces 200 episodes of *Fair City* each year, and training and development of talent is at the heart of the creative process of the series.

## Documentaries and Factual

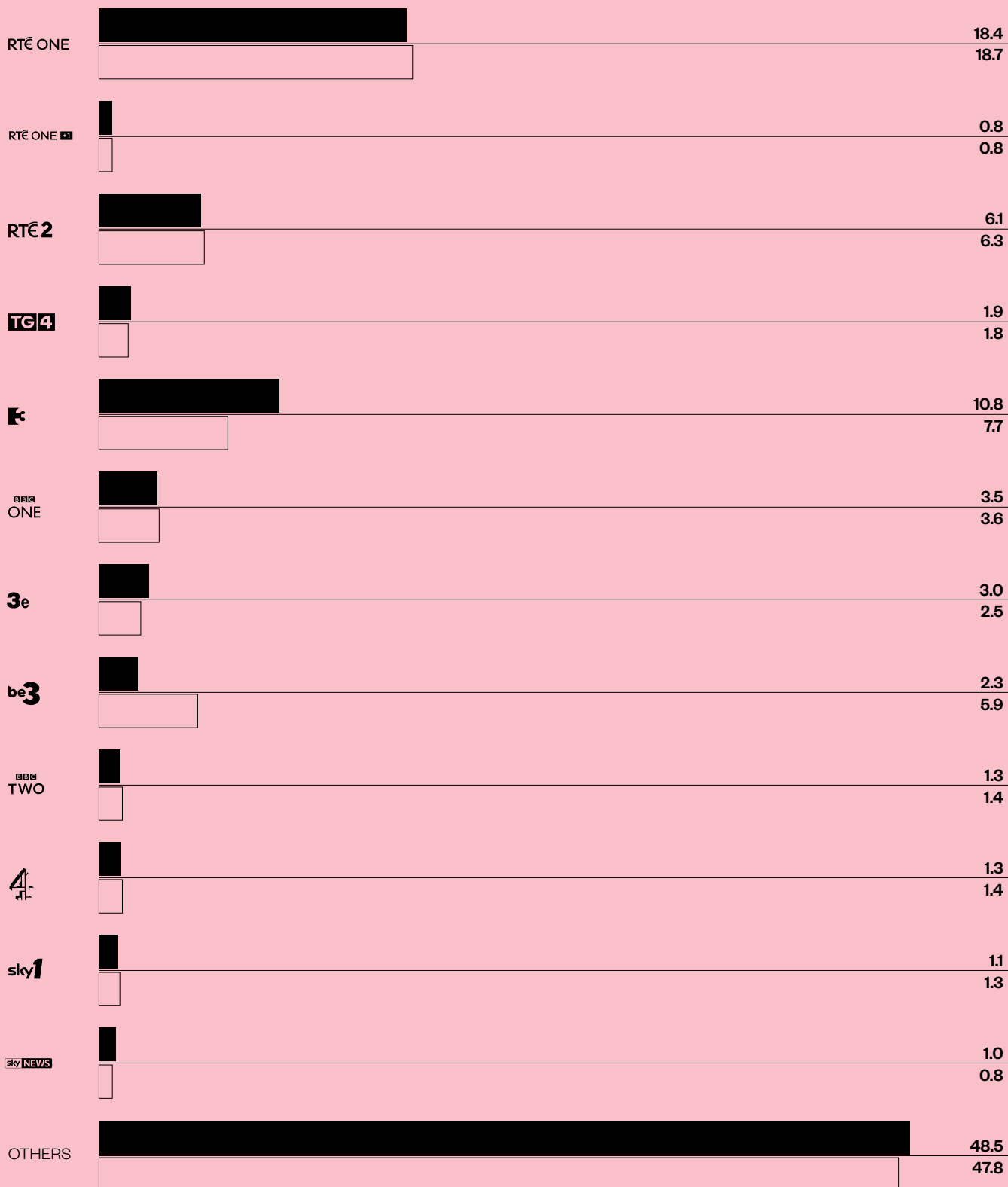
In 2017 RTÉ One broadcast a wealth of highly impactful documentaries, as well as more entertaining factual output celebrating the lighter side of life. In *Ireland's Health Divide*, Dr Eva Orsmond lifted the lid on how the gap between rich and poor in Ireland led to significantly different health outcomes while, in *The Class Divide*, Joe Duffy examined how higher education remained an unlikely option for people from disadvantaged backgrounds. Significant social issues were examined, including the disparity in earnings potential across Irish society (*What Are You Working For?*), the ongoing contradictions and challenges at the heart of our housing policies (*Ireland's Property Crisis*) and the questions of how to best manage an ageing population (*Too Old for the Road*). Themes of isolation and the elderly were addressed in *David Brophy's Choir of Ages*, a series produced with the support of the BAI.

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**CONSOLIDATED NATIONAL INDIVIDUAL  
4+ ALL DAY CHANNEL SHARES (%)**

■ 2017 □ 2016



# Operational Review A Year in Review Television (continued)

The lives of iconic characters from sport and popular entertainment were marked in a series of keynote documentaries, including Johnny Giles (*Giles*), Christy Dignam (*This is Christy*) and rugby legend Anthony Foley (*Anthony Foley: Munsterman*). *Crash and Burn*, a co-production with BBC Northern Ireland and the Irish Film Board, told the scarcely believable story of would-be Formula One driver Tommy Byrne, while *Good Vibrations* explored the remarkable story of a Cork-born, deaf and visually impaired music teacher.

Lighter documentaries included *Baz and Nancy's Holy Show*, which charted Baz Ashwamy's attempt to bring his mother Nancy to meet the Pope, and *Nathan Carter Goes to Nashville*.

RTÉ's in-house documentary production also had a strong year. For the second year running, RTÉ produced the highest-rating documentaries of the year. *Fairytale of New York* was the most-watched documentary of the year in Ireland, with 36% audience share. It was followed by *Medication Nation*, which achieved a share of 32%. Other one-off documentaries, such as *The Undocumented* and *Golden: Our 50 Years of Marriage*, also achieved shares above 30%.

RTÉ also led the way in high-impact, journalistic documentaries with programmes on the Sophie Toscan du Plantier murder case, vulture funds and road deaths. The *Great Irish Sell-Off* was awarded Business Feature of the Year at the Smurfit Journalism Awards, while *After the Crash* received two separate awards, one from the Road Safety Authority and another from the Irish Road Victims' Association. *The Crossing* was recognised internationally, with a Special Commendation at the 2017 Prix Europa, the first time this honour has been awarded to an Irish documentary.

The Factual Unit continued to innovate in 2017, producing *Missing You*, the world's first television series that unfolds through Skype conversations.

This slate of programmes was complemented by a series of impactful, one-off, public education documentaries. Foremost among these were *Autism and Me* – which told the story of autism from the inside, looking out, through the experiences of a young cast – and *Deafening*, which took a similar form in looking at contemporary deaf identity in Ireland.

A new format, *Goodbye House*, where empty nesters downsize with a little help from their children, was piloted on air and was produced by Stellify in Belfast in association with Sony TV.

*Operation Transformation* got the nation moving more than ever before with its 10@10 initiative, which had thousands of primary school children all over Ireland doing 10 minutes of exercise at 10am on Friday 10 February. It also had its biggest nationwide walks event, which took place simultaneously in 70 venues countrywide. *What are you Eating?* and *Awake – The Science of Sleep* also focused on healthy lifestyle habits.

## Creating the Arts

The popular peak-time arts series *Painting the Nation* returned in 2017. It saw seven amateur artists compete to have a painting selected for the Office of Public Works' national collection. Filmed in locations across Ireland, the series encourages audiences to get creative while also showcasing Ireland's rich landscape and heritage. The arts series is a popular addition to the peak-time schedule and grew audience numbers in 2017.

In a pair of landmark presenter-led arts documentaries on Irish writers, internationally renowned Irish actor Gabriel Byrne explored the enduring cultural and political influence of his idol, George Bernard Shaw, in *My Astonishing Self: Gabriel Byrne on George Bernard Shaw*; while screen legend Anjelica Huston told the story of James Joyce's extraordinary life and work in *James Joyce: A Shout in the Street*.

Filmed over four years, the critically acclaimed *Portrait of a Gallery*, produced by Wildfire Films, told the story of the refurbishment of the National Gallery of Ireland, one of the largest restoration projects in the history of the State. Director Adrian McCarthy's feature-length film documented the transformation of the dilapidated Dargan and Milltown wings, as well as the restoration and re-hanging of the national art collection. If ever there was a time to have cameras documenting a landmark period for a national cultural institution, this was it.

In *The Works Presents*, John Kelly met a standout line-up of special guests in 2017, including Adam Clayton; Laurie Anderson; Vogue's legendary art director, Grace Coddington; Ireland's Venice Biennale representative, Jesse Jones; actor Fiona Shaw; and photographer John Minihan.

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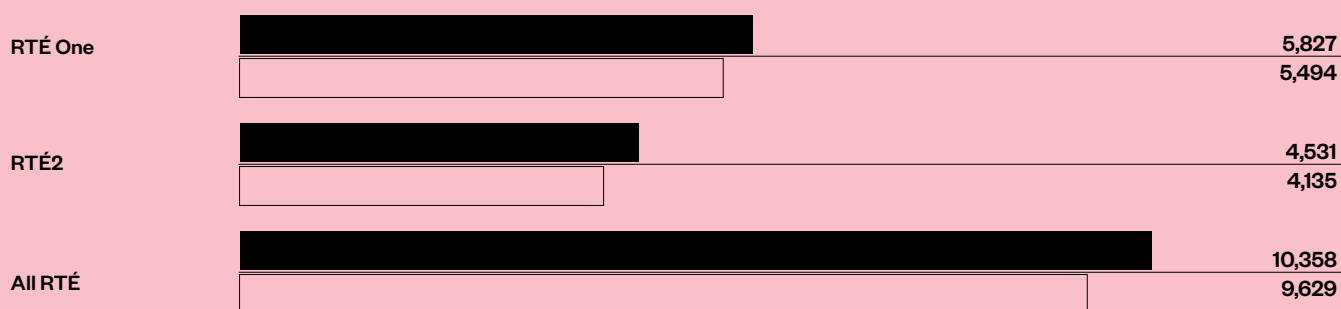
**INDIGENOUS HOURS BROADCAST ON  
RTÉ TELEVISION IN PEAK TIME BY GENRE**

■ 2017 □ 2016



Source: RTÉ

**SUBTITLING HOURS TELEVISION**



Source: RTÉ

# Operational Review A Year in Review Television (continued)

In an innovative collaboration between RTÉ, Accenture and the Royal Irish Academy, *Women on Walls* highlighted the absence of great female thinkers and pioneers from the walls of our national institutions. The film, broadcast to mark International Women's Day, followed artists Blaise Smith and Vera Klute as they painted portraits for the Royal Irish Academy of eight living, eminent, Irish female scientists, historians and thinkers; and four historic female innovators.

## RTÉ2

RTÉ2 has a unique role in developing and nurturing new Irish voices and talent, celebrating the diversity of Irish life, bringing the nation together for big sporting moments and providing Irish programming for younger audiences and children.

### New Comedic Talent

Stand-up comedian Alison Spittle wrote and starred in the brand-new six-part comedy series *Nowhere Fast*, which chronicled the hilarious trials of the boomerang generation as millennial Angela found herself back living in the midlands town in which she grew up.

The new three-part pilot series *The School* featured up-and-coming comedy troupe CCCahoots and a number of young actors, while Jennifer Maguire and Bernard O'Shea penned and starred in a new series of the hit 80s nostalgia show *Bridget & Eamon*.

### Documenting a Generation

Factual documentary output mixed the playful with the hard-hitting, ranging from actress Yasmine Akram's exploration of Irish people working for the global super-rich (*Irish In Wonderland*) to Charlie Bird's *After the Headlines*, which revisited iconic news. A major new four-part observational series, *Trauma: Ireland's Medical Emergencies*, chronicled life and death in the emergency rooms of three frontline Dublin hospitals.

A series of thought-provoking documentaries gave voice to younger Irish adults and tackled a diverse range of themes relevant to their lives. *Living with an Addict* explored the impact of addiction on relationships and *Schizophrenia: Voices in my Head* saw young Irish adults speak about living with schizophrenia. The ground-breaking series *My Trans Self* followed the lives of young transgender people in Ireland, documenting the emotional, physical and mental struggle involved as they transition. Vogue

Williams presented a series of documentaries that included diverse topics such as anxiety and egg donation, among others.

In the new series *Crowded House*, Brendan Courtney helped young adults make the break, emotionally and financially, from their parental home, while new format *Bodyshopping* chronicled the upsurge in popularity of plastic surgery, at home and abroad.

Hit international format *Say Yes to the Dress* debuted on RTÉ2 with a distinctly Irish flavour as Cork-based wedding guru Franc helped Irish brides find their dream gown. *First Dates Ireland* continued to provide a heart-warming look at romance in modern Ireland with a diverse range of daters. It proved to be a particular hit with younger audiences, capturing 34% share of 15-34 year olds and a 29% share of 25-44 year olds.

### Sportainment

Live sport continued to bring the country together to celebrate our national teams and national games on RTÉ2. A brand-new series, *Ireland's Greatest Sporting Moment*, presented by Des Cahill and Evanne Ni Chuillín, allowed viewers to vote for the greatest sporting moment in Ireland's history. *The Toughest Trade* followed two of Ireland's leading GAA players as they immersed themselves in a new sport and club, and *Après Match* returned to our screens for a six-part series.

### Musically Speaking

Emerging talent was showcased in music programming on RTÉ2 with the return of *Other Voices*, the EBBA Awards and the RTÉ Choice Music Prize, as well as a one-off *Other Voices Belfast Special* and coverage of Electric Picnic.

### Lifestyle

New formats debuted throughout 2017. The four-part series *Salon Confidential*, produced by Waka Television, provided thoughtful fixes to life's dilemmas, while *Ireland's Rich List*, from Waddell productions in Belfast, was also among the highlights.

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RTÉ  
CHOICE  
MUSIC  
PRIZE

ONLY ON

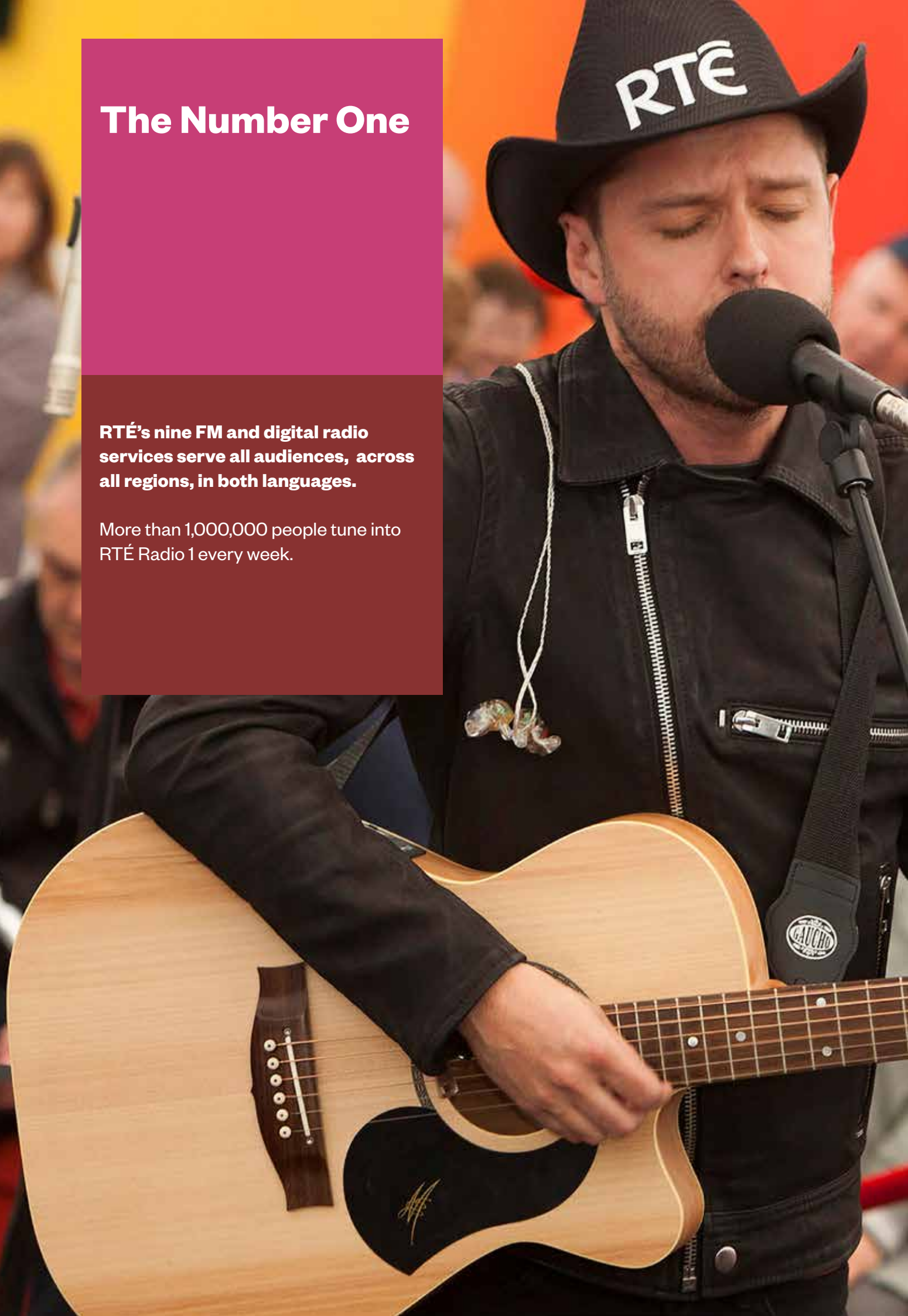
RTÉ 2



# The Number One

**RTÉ's nine FM and digital radio services serve all audiences, across all regions, in both languages.**

More than 1,000,000 people tune into RTÉ Radio 1 every week.



RTÉ Radio 1, 2fm, lyric fm, and RnaG broadcast live from the National Ploughing Championships in Tullamore.



**Operational  
Review  
A Year in Review  
Radio**

About RTÉ's Radio Services

RTÉ provides nine distinctive radio services, on FM and digital audio broadcast (DAB), online and on mobile. Serving all ages, in both languages, the suite of services provides audiences with a unique perspective on home, through news and documentary, entertainment and drama, sport and arts, and music in all genres.



## RTÉ Radio 1

In 2017 RTÉ Radio 1's key focuses were planning for change, the training and development of its people, and an overall enhancement of the listening experience.

Due to the quality and breadth of programming in 2017, RTÉ Radio 1 was selected IMRO Full Service Station of the Year in Ireland, while RTÉ Radio 1, along with RTÉ lyric fm, was awarded Broadcaster of the Year at the New York Festivals. There were significant successes for particular genres with, most notably, the *Documentary on One* securing a prestigious Prix Italia award.

While the daytime and core weekend schedules remained unchanged and continued to develop, there were a number of significant enhancements to output across the year.

In sport, to herald Radio 1's exclusive national radio rights for the GAA Championship, a specially designed outside broadcast vehicle supported the weekend sports output across the summer and was also used by other programmes. In addition to GAA, there was full coverage of the Ireland 6 Nations and autumn rugby campaigns, along with all three British & Irish Lions tests from New Zealand.

Current affairs programming performed strongly, with the election of the new Taoiseach one of the leading stories. Ongoing coverage of health, housing, justice and social issues as well as the Brexit debate also featured. A multiskilled team of mainly younger programme makers delivered coverage of the UK general election from Northern Ireland. International security issues and atrocities, alongside the changing political landscapes in Europe and the US, led the international agenda.

RTÉ Radio 1 was a principle supporter, in partnership with Creative Ireland, of the large-scale Cruinniú na Cásca event, a new national day for culture and creativity. On Culture Night, RTÉ Radio 1 broadcast a three-hour outdoor live spectacular in Dublin Castle, led by the RTÉ Concert Orchestra. Production from the independent sector in 2017, through RTÉ's Independent Radio Productions, included new young broadcasters and producers at the heart of both the summer and Christmas schedules.

## RTÉ 2fm

RTÉ 2fm saw audience growth in all key measures by year end. It now boasts five of the top 10 programmes for the 15-34-year-old audience, and 10 of the top 20 shows. *Breakfast Republic* and the evening drive programme, *The Eoghan McDermott Show*, are the number one and two shows for this demographic, respectively, fulfilling RTÉ's remit to engage with all audiences in Ireland and recruit younger audiences as a priority.

### Seachtain na Gaeilge

RTÉ 2fm broadcast bilingual news bulletins during Seachtain na Gaeilge. These replaced the normal bulletins and demonstrated that accessible spoken Irish enhances the service, while also promoting the Irish language very well.

In partnership with Conradh na Gaeilge, RTÉ 2fm continued its support of the *Ceol* album. Curated by Eoghan McDermott, it showcases hit songs in Irish by Ireland's biggest stars, such as Picture This, The Coronas and The Blizzards.

### Irish Music

RTÉ 2fm reinforced its support of Irish artists, with *2fm Rising* getting behind the best new and upcoming Irish talent. Each selected act featured during peak-time programming, with specially produced recording sessions and online support across all of RTÉ 2fm's social channels.

## Top 10 All-Week National Radio Programmes – Adults 15+

Timeblock Reach for National Commercial Stations January - December 2017

Counter	Description	Station	Time slot	Period	Adults 15+ Prog Reach	No. Of Adults 15+ (000s)
1	Morning Ireland	RTÉ Radio 1	07:00-09:00	Mon-Fri	11%	423
2	Liveline	RTÉ Radio 1	13:45-15:00	Mon-Fri	10%	373
3	The Marian Finucane Show	RTÉ Radio 1	11:00-13:00	Sat	10%	359
4	The Marian Finucane Show	RTÉ Radio 1	11:00-13:00	Sun	9%	346
5	News at One	RTÉ Radio 1	13:00-13:45	Mon-Fri	9%	327
7	The Ryan Tubridy Show	RTÉ Radio 1	09:00-10:00	Mon-Fri	8%	318
6	The Business	RTÉ Radio 1	10:00-11:00	Sat	8%	314
8	Today with Sean O'Rourke	RTÉ Radio 1	10:00-12:00	Mon-Fri	8%	312
9	Playback	RTÉ Radio 1	09:00-10:00	Sat	8%	282
10	Sunday with Miriam	RTÉ Radio 1	10:00-11:00	Sun	7%	259

Source: JNLR / Ipsos MRBI 2017/4

# Operational Review A Year in Review Radio (continued)

U2's classic album, *The Joshua Tree*, celebrated its 30th anniversary in 2017. With permission from the band and in conjunction with Universal Music, RTÉ 2fm created *The Joshua Tree – New Roots*, a cover album featuring all the music from *The Joshua Tree*.

RTÉ 2fm continued to support unsigned acts with the Play the Picnic initiative at Electric Picnic. Unsigned artists had the opportunity to get peak-time airplay and the chance to play on the Crosby Stage at the festival.

## RTÉ Choice Music Prize

The RTÉ Choice Music Prize is the annual search for Ireland's song and album of the year. In March, Eoghan McDermott hosted the final in Vicar Street, which was broadcast live on an extended *Louise McSharry Show* on RTÉ 2fm.

One of the outstanding successes of RTÉ 2fm's support of the RTÉ Choice Music Prize has been the All-Irish Music Days, which ran four times in 2017.

## RTÉ 2fm and the RTÉ Concert Orchestra

RTÉ 2fm travelled to Cork, Galway, Killarney and the 3Arena in Dublin, as Jenny Greene and the RTÉ Concert Orchestra continued to astound thousands of fans. They also went back to the Rankings Wood tent at Electric Picnic in August, where 2fm and the RTÉ Concert Orchestra collaborated on a hip-hop themed event. Four Irish urban artists (Mango, Jafaris, Erica and Jessica) rapped and sang with the orchestra.

## The 2fm Christmas Ball with the ISPC

The year ended with a sell-out crowd at the 3Arena for the 2fm Christmas Ball. It raised more than €500,000 for the ISPC and was headlined by international Irish superstars The Script and supported by bands such as The Coronas.

## RTÉ Raidió na Gaeltachta

In January, for the first time RTÉ Raidió na Gaeltachta collaborated with RTÉ One on a joint radio/television broadcast of religious services, while the final of the prestigious Seán Ó Riada Gold Medal competition was broadcast live from Cork in early February. The competition, run by Peadar Ó Riada on his programme *Cuireadh chun Ceoil*, has grown in status since its inception in 2010, with the 2017 finalists including harpists from France and Chicago.

During Seachtain na Gaeilge in March, the station undertook a very successful social media campaign, Gaeilge na Gaeltachta #GnaG, to help those who

wanted to improve their Irish. It put together a series of short videos featuring phrases in Irish (with English subtitles) from RTÉ RnaG presenters across the country.

In 2017 RTÉ was central to Cruinniú na Cásca. As part of the ambitious programme of events, RTÉ Raidió na Gaeltachta hosted a public interview with writer Éilís Ní Dhuibhne, as well as a series of pop-up talks as Gaeilge live from Smithfield Square in Dublin. This was followed by a special edition of arts programme *An Cheárta*, which focused on traditional music and the traditional arts in Ireland.

The diaspora is an important audience for the station and, for the first time, the summer schedule in 2017 included a weekly programme from Boston, *Anall as Meiriceá*.

In October, the first-ever Irish-language opera was again performed on stage for the first time in more than 100 years. The event was broadcast live by RTÉ Raidió na Gaeltachta together with RTÉ lyric fm.

Later in autumn, the *Bláthnaid Libh* show and RTÉ 2fm announced a collaboration with the NÓS 2018 music awards for contemporary music in Irish. The winners of the Song of the Year will be play-listed on 2fm, reaching a large nationwide audience.

Traditional music is one of the cornerstones of RTÉ Raidió na Gaeltachta's work and the station broadcast live from the Willie Clancy Summer School, Fleadh Cheoil na hÉireann and the Oireachtas festival in 2017. It also recorded at numerous events across the country throughout the year for later broadcast. These included the Joe Mooney Summer School in Leitrim, Éigse an Spidéil in Connemara, Ceardlann Earraigh in Kildare, Meitheal in Limerick and the South Sligo Summer School.

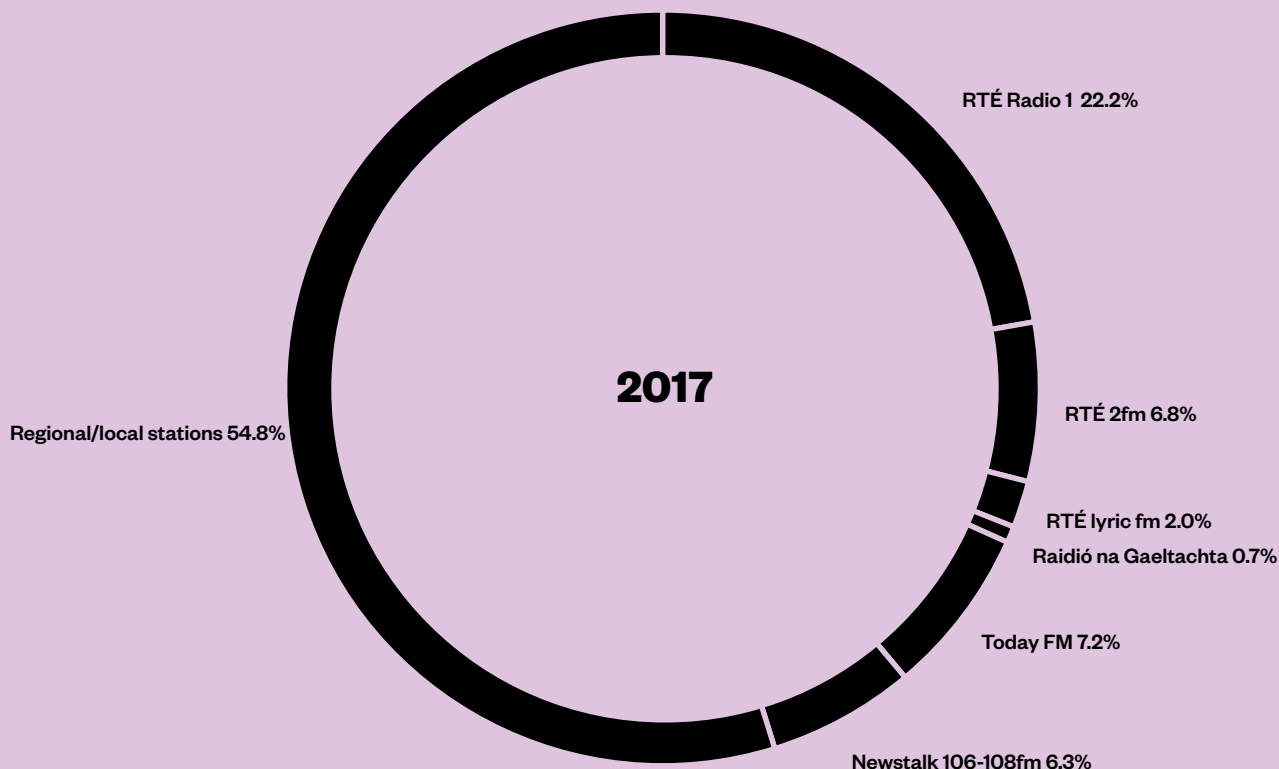
The station magazine programmes broadcast live from a range of regional festivals and other occasions in the four provinces, including the Tionól Níocláis Tóibín festival in the Waterford Gaeltacht, Éigse Dhiarmuidín in the Cork Gaeltacht of Múscraí, and Festifál in Co Donegal. They also broadcast live from the small Meath Gaeltacht of Ráth Cairn, which in 2017 marked 80 years since its establishment; from schools in Corr na Móna in West Connemara; and from the official opening by Mícheál Ó Muircheartaigh of Gaelscoil de hÍde in Oranmore, Co Galway.

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**NATIONAL SHARE OF RADIO LISTENING 2017 -  
WEEKDAY/PEAK TIME**



Source: JNLR / Ipsos MRBI 2017/4

**RTÉ RADIO HOURS BY GENRE**

■ 2017 □ 2016



Source: RTÉ

Note: Category "Other" includes, Religion, Young People and Drama

# Operational Review A Year in Review Radio (continued)

RTÉ Raidió na Gaeltachta continued to provide RTÉ Radio 1, RTÉ 2fm and RTÉ lyric fm with live *Nuacht RTÉ* bulletins throughout the day, along with the service's own unique national, international and Gaeltacht news service.

The station broadcast live from Belfast for the Northern Assembly elections in January and the UK General Election in June, with reporters in count centres across the province. RnaG also broadcast from the parties' Ard Fheiseanna and live from Leinster House for the Budget.

RTÉ Raidió na Gaeltachta presenters won numerous awards during the year. For the seventh consecutive year, an RnaG broadcaster took home the award for Radio Presenter of the Year at the Celtic Media Festival, which took place in the Isle of Man, with Bláthnaid Ní Chofaigh taking the honours. At the IMRO Awards, *Cormac ag a Cúig*, the drivetime show presented by Cormac Ó hEadhra, took home the top Irish-language award.

## RTÉ lyric fm

RTÉ lyric fm was named Music Station of the Year at the IMRO Radio Awards 2017. RTÉ lyric fm's coverage of Composing the Island gained the Outstanding Achievement Award, while a silver medal was awarded to Tom Norton for Best Live Sound – Music. At the New York Festivals Awards 2017, lyric fm picked up two gold medals and two bronze medals and, at the Prix Marulić Festival, RTÉ lyric fm won a gold trophy for Best Radio Drama (*Terrible Beauty*).

Sebastian Adams tenure as RTÉ lyric fm's Composer in Residence, which started in January 2016, continued in 2017. Between January and June, Sebastian composed and workshopped, with Robert Houlihan and the RTÉ Concert Orchestra, a popular five-part suite for orchestra. He collaborated as sound director with Jools Gilson on a lyric fm feature on rain (*The Lyric Feature – The Rain Box*), which was heard in July 2017. Along with Cork poet Gerry Murphy, Sebastian composed a second carol for lyric's *Choirs for Christmas* competition and he also wrote a work for the RTÉ National Symphony Orchestra (NSO), which was performed in April.

The CD *Rhapsodic Celli: The Music of Frank Corcoran*, with soloist Martin Johnson and the RTÉ NSO, was released in 2017. During the year, lyric fm also recorded other material for future release. These included the complete string quartets of 19th century Irish-American composer Swan Hennessy with the RTÉ Contempo Quartet; baroque and traditional Irish music with Camerata Kilkenny and uilleann piper David Power; music by Bill Whelan, including his Riverdance Symphonic Suite; and a special commission featuring flautist James Galway.

In 2017, the *Lyric Feature* broadcast 50 hours of cultural content, one-third of which was newly commissioned in partnership with the independent production sector. In the same period, more than 48 hours of culture comment and review were broadcast in lyric's daily *Culture File* feature.

RTÉ lyric fm continued the Music for all Ages events, its engaging and entertaining outreach programme of live music performances that take place in educational and community settings. The team visited primary and secondary schools, third-level institutions, care homes and libraries in Donegal (May 2017) and Mayo (November 2017). The RTÉ lyric fm Quartet gave daily performances on each of the five days at Bloom 2017 and at the National Ploughing Championships, as well as performances on RTÉ lyric fm and RTÉ Radio 1.

New programmes introduced to the schedule from 4 September 2017 included *The Full Score* with Liz Nolan, Niall Carroll's *Classical Daytime* and *Mystery Train* with John Kelly.

During 2017, lyric fm broadcast programmes live from Bloom, the National Ploughing Championships and the Wexford Festival Opera, as well as a live transmission of *Marty in the Morning* from Verona in August and from Rome in October.

RTÉ lyric fm marked European Day of Early Music on 21 March with programmes featuring early music across the schedule and a live broadcast of Lorcan Murray's *Classic Drive* from King John's Castle in Limerick.

Some 32 concerts were offered to the European Broadcasting Union (EBU) via the EBU Music Exchange, five of which were included in the EBU's Premium Music Concert Season and simulcast around the world, including the world première of Gerald Barry's *Humiliated and Insulted* in February and the Brian Boydell centenary concert from the NCH in March.

The *Summer Lunchtime Concert* series, presented by Niall Carroll, was broadcast live from the National Concert Hall (NCH) between June and August. The broadcasting and online video streaming of *The Lyric Concert with Paul Herriott* live from the NCH every Friday night continued with the RTÉ NSO's season of concerts featuring many Irish and international soloists and conductors. There was also a première of a lyric commission from composer Kevin Volans – his *Piano Trio*, performed by Fidelio Trio at the GlasDrum Festival.

*Piano Keys*, an exclusive online educational podcast in partnership with the Royal Irish Academy of Music (RIAM), saw Professor Réamonn Keary guide students through the 2017 RIAM local centre piano examinations. More than 40,000 students take these exams annually.

In December 2017, lyric fm recorded two RTÉ NSO educational concerts (Junior and Leaving Certificate music), which are available to schools and music students via YouTube.

RTÉ lyric fm also presented four days of the Making Radio project to transition-year students in February/March 2017. The project encourages teamwork and involves the use of radio technology, and creative production and presentation under the instruction of RTÉ lyric fm staff.

### Digital Radio/Broadcast Services Output

#### RTÉ Pulse

Talent development continued in 2017 on RTÉ Pulse. Blogger/comedian Shannon Keenan (paired with comedian Emman Idama); Laura Fox, an exciting new young presenter from Galway; and Graham Smyth all joined the service. Also in 2017, Pulse launched its first Irish-language show with Aindriú de Paor.

Major international brands such as Tough Love, Gorgon City, Eats Everything and Flashmob came to the Pulse schedule. Pulse also commissioned a special music series, *Scratching the Surface*, which looks in detail at the careers of specific music producers such as Kanye West, Daft Punk and Fatboy Slim, deconstructing their production techniques in a docutainment style.

Pulse broadcast a three-part music special with Black Madonna (Mixmag's DJ of the year 2016), covering the history and evolution of dance music. It also introduced the *Represent* series for National Poetry Day.

In March, Pulse celebrated the three-year anniversary of the *Souletiquette* show with a live broadcast from the Tengu Bar in Dublin. Dave Treacy (of the *We Love Beats* show) travelled to the US to cover the Miami Music Week festival and Pulse also launched a weekly video interview series with Beta De Silva and a bi-weekly video interview series with Mo-K.

Station editor Adam Fogarty created and directed the hugely successful *Story of Hip Hop* at Electric Picnic 2017.

#### RTÉ 2XM

RTÉ 2XM and RTÉ 2fm collaborated on live Studio 8 sessions in 2017, with key talents such as Soule, Jafaris and Aik J passing through.

Two BAI Sound & Vision projects aired. *Independents Day* was a 10-part series on independent record labels in Ireland, while *This Ain't No Party* told the story of the iconic *No Disco*, one of RTÉ's most culturally important shows.

RTÉ 2XM also collaborated with 2fm for the Irish Youth Music Awards, airing special features curated by Dan Hegarty around previous winners in the build-up to the event.

#### RTÉ Gold

RTÉ Gold is primarily aimed at over 35s who enjoy quality music. The service continued to play its part in delivering weekly content and music for the overnight output on RTÉ Radio 1.

In November, two new daytime shows debuted, presented by former 2fm presenters Will Leahy (Breakfast 7-10am) and Rick O'Shea (3-6pm). Online listening improved, with streams increasing by an average of 20% across the day.

#### RTÉ Radio 1 Extra

The schedule of RTÉ Radio 1 Extra continued to complement its sister service, RTÉ Radio 1. As well as broadcasting the best of RTÉ Radio 1 programming and eclectic programmes from English-language broadcasters around the globe, some new, original programmes were aired on RTÉ Radio 1 Extra in 2017. *Reverberations*, a series of six episodes of 30 minutes, combined the worlds of poetry and sound art. *Pod Only Knows* was a series of six half-hour episodes looking at the phenomenon of podcasts.

#### RTÉjr Radio

See section on children and young people's programming (see page 72).

#### From On Air to Online

The digital teams expanded in 2017, with a team curating and creating content specifically for use online and on smartphones. At the core of this work was the visualisation of radio with high-end post-production video shoots of music performances and in-studio live streaming of interviews online and on social platforms. This work was unified with specifically created brand assets from the team's graphic designer, alongside *RTÉ Radio 1 Highlights*, a short-form digital storytelling platform that began in late 2016 and expanded to incorporate content from across the Radio 1 schedule during 2017.

# Reaching New Audiences

**Through its range of digital services, RTÉ is at the very heart of Ireland's expanding digital environment.**

Some 46% of Irish adults use a digital service from RTÉ every week. In 2017, total digital traffic grew by 9% and, in March and October, news around *Rescue 116*, Martin McGuinness and Hurricane Ophelia drew huge audiences.

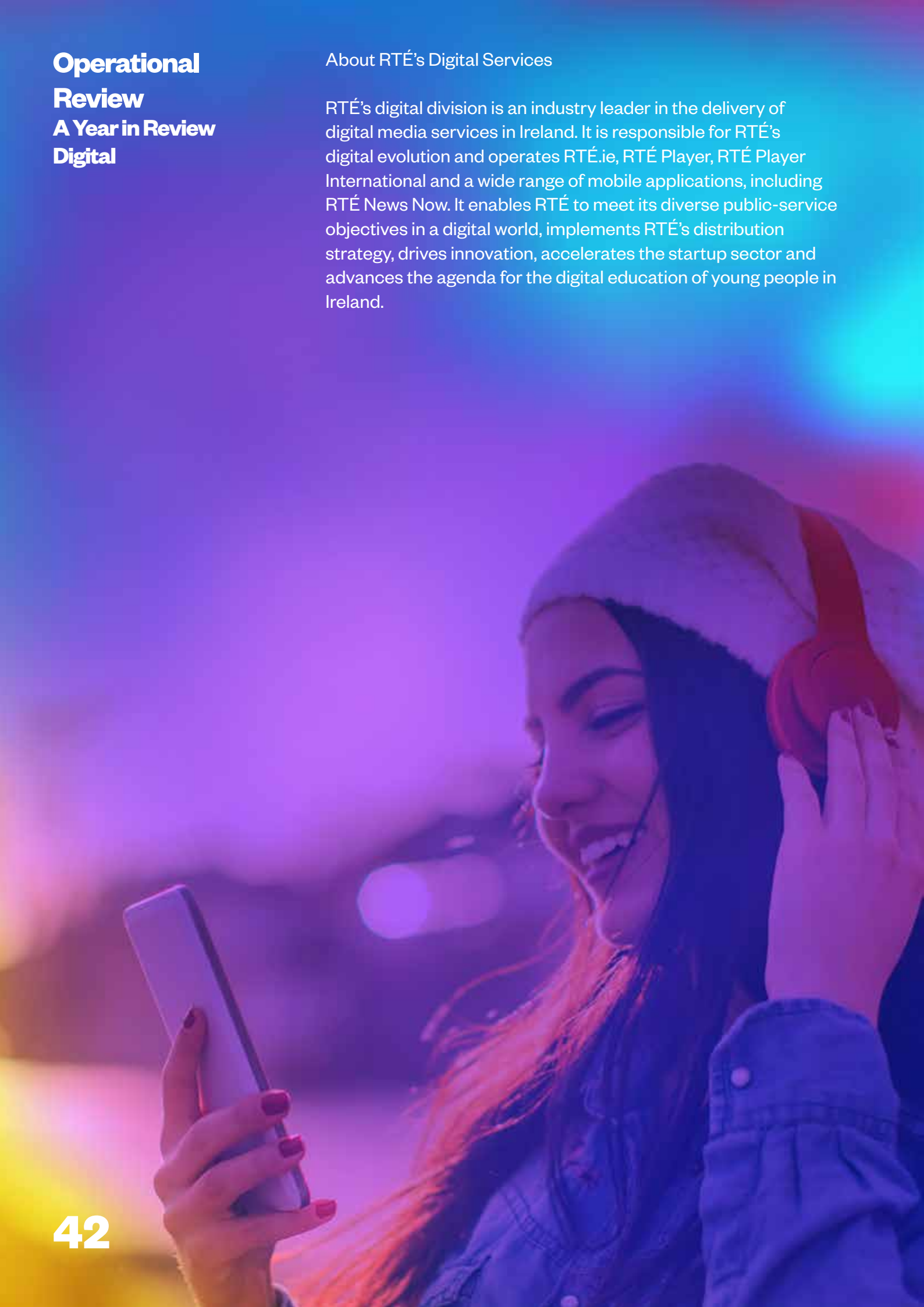




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About RTÉ's Digital Services

RTÉ's digital division is an industry leader in the delivery of digital media services in Ireland. It is responsible for RTÉ's digital evolution and operates RTÉ.ie, RTÉ Player, RTÉ Player International and a wide range of mobile applications, including RTÉ News Now. It enables RTÉ to meet its diverse public-service objectives in a digital world, implements RTÉ's distribution strategy, drives innovation, accelerates the startup sector and advances the agenda for the digital education of young people in Ireland.



## RTÉ Player

### Record Number of Streams in 2017

RTÉ Player, Ireland's leading broadcast video-on-demand (VOD) service continued to grow with a record number of streams in 2017. Now available on 11 platforms, including Chromecast on iOS devices, more than 51.5 million streams were served, representing a 2% increase on 2016.

During the year, RTÉ Player delivered an average of 4.3 million streams each month and an average of 1.1 million unique browsers a month. Total on-demand streams were 43.9 million, a 5% increase on 2016.

### Live Viewing

Live viewing on RTÉ Player continued to do well, with 7.6 million live streams in 2017. Live streams peaked with 951,000 in October, which included news coverage of Storm Ophelia (more than a quarter of a million live streams) and two European qualifier games.

The biggest live event ever for RTÉ Player was in November, with 135,500 live streams of the Republic of Ireland V Denmark European qualifier game.

### Developing New Content and Growing Audiences

RTÉ Player continued to evolve with an increase in on-demand titles in 2017. Several box sets of RTÉ's back catalogue were introduced, including original Irish dramas *The Clinic*, *Striking Out*, *Proof* and *Damage* alongside comedy with *Bridget & Eamon* and *Hardy Bucks*, and reality favourites *Popstars* and *Fade Street*.

RTÉ Player had several exclusive commissions and productions throughout the year, including a six-part series with Stefanie Preissner called *How to Adult*, a fitness series with *Dancing with the Stars* presenter Amanda Byram, an interiors-focused series *The Good Room*, a two-part fashion pilot *My Sister's Closet* and exclusive food programming, including *Recipes for Actual Real Life* with Sophie White and the six-part series *Chef Adrian Eats Ireland*. RTÉ Player also collaborated with RTÉ Television's News & Current Affairs on a two-part documentary on domestic abuse in Ireland.

RTÉ Player also produced and commissioned exclusive online content around the most popular RTÉ television series and events of the year, including the Rose of Tralee, a *Fair City* storyline review of the year, celebrity reactions to *First Dates Ireland*, extra home tours from *Dermot Bannon's New York Homes* and *Dermot Bannon's LA Homes*, and best of *The Late Late Show* collections.

The online exclusive extras and exclusive new shows to RTÉ Player attracted more than 5.2 million streams, an increase of 50% on 2016.

Across the year, soaps remained the most popular shows on RTÉ Player. *Fair City* was the audience favourite with 6.9 million streams, followed by *Home and Away* with 5.6 million streams and *EastEnders* with 4.8 million streams.

## RTÉ Archives

Safeguarding legacy recordings of broadcast archives is a major area of focus and output for the RTÉ Archives. In 2017 a selection of news and television programming, as well as the earliest sound recordings from Radio Éireann, were earmarked for reformatting from older devices to digital files for storage, documentation and access. This was supported by the BAI Archive funding scheme. As part of the project, RTÉ launched its Archives News Collection in October 2017. Some 2,213 reports from March 1985 to May 1986 are now available online. The aim is to publish 14 years of RTÉ News over the coming years.

Public engagement with the RTÉ Archives online continued to grow in 2017, with 1,154 new stories created for Archives Daily in 2017 and added to the website. Each day RTÉ Archives provides the public with access to a range of content from the archives by uploading it on to its website, [www.rte.ie/archives](http://www.rte.ie/archives). The website attracted a record number of online visitors and page views, with 3.1 million visits to the website in 2017 compared to 1.9 million in 2016. Page views in 2017 exceeded 5.6 million, up from 3.5 million page views in 2016.

The RTÉ Archives is responsible for collecting, preserving and making accessible the creative and documentary output of the national broadcaster. Content is collected, recorded and documented each day across all of RTÉ's services. In 2017 the collection grew by circa 7%, with some 10,000 hours of newly created broadcast content added. The online photographic archive also continues to grow, with access to more than 126,000 images.

### Opening up RTÉ Archives

Archives appeared frequently throughout 2017 in RTÉ schedules, with 2,110 programmes featuring content from the back catalogue. In addition to providing extensive significant research services to production teams, tens of thousands of clips featured in new productions across radio, television and online services as well as in major film documentaries.

### Highlights

*The 34th – The Story of Marriage Equality* tells the story of the people who formed and developed the Marriage Equality in Ireland campaign. This programme received an IFTA nomination for best feature documentary.

# Operational Review A Year in Review Digital (continued)

*ROSC 50* – presented in collaboration with the National Irish Visual Art Library (NIVAL), RTÉ Archives and the Irish Museum of Modern Art (MMA) – provides an intriguing, detailed and contextualised look at these controversial and pivotal exhibitions. It uses a rich presentation of archive materials including catalogues, photographs, news footage, and exhibition reviews and reports, alongside first-person accounts.

*Rocky Ros Muc*, a documentary about Connemara boxer Sean Mannion, contains extensive footage from the RTÉ Archives and is the first Irish-language film to be longlisted for an Oscar. The documentary charts the Irish boxer's journey from the quiet Gaeltacht village of Ros Muc in Galway to his boxing career in Boston.

*Divided Society* explores a critical time in Northern Ireland's history. The collection at the Linen Hall Library in Belfast contains a range of material from journals, posters and photographs published between 1990 and 1998, including video archival content from RTÉ and UTV.

## RTÉ.ie

Ireland's number one media site continued to grow in 2017, both in terms of users and content. New sections added to the site included: [rte.ie/gaeilge](http://rte.ie/gaeilge), a section aimed at fluent speakers and cúpla focal-ers; and [rte.ie/brainstorm](http://rte.ie/brainstorm), a space for academic contributors to add to public debate and communicate fresh thinking on a broad range of issues.

Our continued re-design encompassed a new television site and a new RTÉ Weather section with Met Éireann that delivers the most accurate, up-to-date and comprehensive weather forecast information, as well as offering an orange/red weather alert to users across the site. Weather traffic has doubled since its launch.

Unique browsers and page views continued to rise in 2017 compared with 2016, averaging 54.1 million page views and six million unique browsers each month. Mobile traffic also rose from 54% in 2016 to 59%.

Top stories across the site from News and Sport included Storm Ophelia, the *Rescue 116* tragedy and Waterford V Kilkenny hurling round two

qualifier. Culture, Lifestyle and Entertainment also saw strong growth in 2017 and the introduction of Radio Highlights offered our audience a written digest of the best audio content from Radio 1.

RTÉ.ie also covered national events such as Cruinniú na Cásca, gaining 335,000 page views as users sought out information on the range of events in Dublin and nationwide.

A new recommendation panel, titled More for You, served up recommended content for users based on their activity on the site. A dedicated team now curates our home page, serving up the best of RTÉ content seven days a week. WebPush notifications were also introduced in 2017. They push the best of RTÉ content across browsers, keeping our growing audience up to date on the latest from RTÉ.

## RTÉ News Now

The site and app maintained its position as the number one Irish news app, offering on-the-go access to the latest news, sport and entertainment headlines. Total app downloads reached 1.85 million, with 164,700 new users in 2017.

Overall, monthly active users remain stable at 430,000, but app traffic increased by 16% to a monthly average of 78 million page views. Users have been showing increased loyalty by visiting the app more often and consuming more pages per visit.

Throughout 2017, RTÉ continued to update the app with new features and functionality. The Regional news section, added in May, showcases stories from regional correspondents across the country. The updated push notification service, launched in June, provides even faster delivery of breaking news, interactive notifications and in-app messages. The updated app design, launched in November, provides streamlined navigation and easy content personalisation.

## Platforms and Distribution

RTÉ broadened its relationship with Virgin Media and Vodafone to enable the TV platforms to offer more RTÉ content to their customers. RTÉ Player was launched as a key service on Saorview Connect in November.

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## AVERAGE PAGE IMPRESSIONS PER MONTH ACROSS DIGITAL SERVICES (MILLIONS)



Source: RTÉ

## WEEKLY REACH OF RTÉ'S DIGITAL SERVICES 2017



Source: RTÉ Data, 2017, Adults 18+

## RTÉ PLAYER STREAMS: 2013 - 2017 (MILLIONS)



Source: RTÉ

# Operational Review A Year in Review Digital (continued)

## International Audiences

### GAAGO

The online streaming service from RTÉ and the GAA, which offers Gaelic games to audiences outside the island of Ireland, continued to go from strength to strength in 2017. An enhanced range of programmes and documentaries were added to the service, with more than 30 GAA-related documentaries available to season pass holders. Since its launch in 2014, GAAGO has served over 900,000 streams and been accessed in more than 180 territories, stretching to locations as diverse as Golan Heights, Vietnam and The Gulf of Bothnia off the coast of Finland. Since its successful launch on Roku in 2016, it has proved particularly popular in the US, accounting for two out of every five purchases.

### RTÉ Player International

The international version continued to serve audiences in more than 120 countries. New programmes and series from the back catalogue were made available to international audiences on the service.

### Innovation

Through an innovative partnership with Amazon, RTÉ News, Nuacht RTÉ and RTÉ Weather were introduced as 'skills' on Alexa, Amazon's cloud-based voice service that launched in Ireland in December. Voice is the next big platform as the adoption of smart speakers and other connected devices gathers pace. RTÉ is an early entrant into the market and is well positioned to deliver its content on these new platforms. As a result of this early development, RTÉ is the default news offered to people in Ireland when they ask "Alexa, what's new?"

In 2017, RTÉ continued to enhance its digital engagement strategies to build closer and direct relationships with audiences to better serve their needs and preferences. Using a blend of automated emails, content recommendation, mobile and web push notifications, as well as social media platforms, this strategy has been a core engagement tool for RTÉ.ie, RTÉ Player and RTÉ News Now to enable audiences to easily discover more content relevant to their specific preferences and needs.

Hundreds of thousands of users are signed into RTÉ ID to avail of sign-in service benefits. In 2017, RTÉ grew its active database by 33%. These users receive daily and weekly communications across a core range of content areas (what to watch, daily news, lifestyle and Gaeilge).

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RTÉ Player International continued to serve audiences in more than 120 countries. New programmes and series from the back catalogue were made available to international audiences on the service.



# We Take You There

**RTÉ Sport is at the centre of Ireland's sporting life, delivering award-winning coverage to the nation, free to air.**

617 hours of original sport programming on television in 2017.







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Sport**

About RTÉ Sport

RTÉ Sport brings national teams, national games and major events, both domestic and international, to audiences in Ireland, across all available platforms, in an innovative, entertaining, inclusive and cost-effective way.

## Television

RTÉ Sport produced 617 hours of television content in 2017 and maintained its position as the number one sports broadcaster in Ireland. All of the top 20 programmes in 2017 were on RTÉ, and 11 of them were sport-themed, from GAA to soccer to rugby. Seven sports broadcasts were in the top 10, including the All-Ireland senior football final between Dublin and Mayo, which was second behind *The Late Late Toy Show* with an average of 1,141,200 viewers (79.88%).

The Football and Hurling Championships led with 134 hours of GAA coverage and, while All-Ireland finals featured in the top five programmes, the All-Ireland football semi-final between Dublin and Tyrone was also in the top 20 programmes, with 59% of the available audience watching.

RTÉ Sport covered the All-Ireland camogie quarter-finals live for the first time, as well as the semi-finals and finals, while *The Sunday Game* featured female pundits on its coverage of camogie and hurling over much of the season.

The European qualifier second leg play-off between Ireland and Denmark was the third most-watched programme on television in 2017, with 1,038,600 viewers. European and domestic soccer made up the majority of the 233 hours of soccer programming in the year.

RTÉ Sport produced 27 hours of live women's rugby coverage, including all of Ireland's games in the World Cup and the 6 Nations. In RTÉ Sport's final year of the men's 6 Nations contract, Ireland's games against France, Wales and England all featured in the top 10.

RTÉ Sport also delivered live coverage of two historic weekends in Irish rowing. In May, we watched Ireland win two European gold titles (Shane O'Driscoll & Mark O'Donovan, and Paul & Gary O'Donovan) and a silver title (Denise Walsh). In September, Paul O'Donovan retained his world title in lightweight single sculls, and Shane O'Driscoll, alongside Mark O'Donovan, followed their European title with gold in the men's lightweight pair.

Towards the end of the year, our in-house production team originated and delivered *Ireland's Greatest Sporting Moments*, in which the Irish public voted Pdraig Harrington's major win in 2007 ahead of every other sports moment in the television age.

Commissions produced six hours of output, including a second series of *Après Match of the Day*, *The Toughest*, and *All-Ireland Day – The Hurling Final*.

For the first time, RTÉ, with Loosehorse Productions, secured unprecedented access to the inner sanctum of an elite dressing room. *Blues Sisters* chronicled the Dublin women's football

team's remarkable march to the All-Ireland title, telling the real story of the sacrifices and dedication needed to reach the top.

Other highlights from our 2017 sports coverage included 24 days of Irish horse racing coverage; the Dubai Duty Free Irish Open; the Aga Khan from the RDS; the Irish Greyhound Derby semi-finals and final; and the GAA GPA All-Stars, the FAI Awards and the RTÉ Sport Awards.

## Digital

Traffic across [rte.ie/sport](http://rte.ie/sport) on mobile, desktop and the RTÉ News Now app was up 13% on 2016, with average monthly page impressions up from 23 million to 26 million.

The top three stories of 2017 were live GAA Championship blogs. The Waterford-Kilkenny hurling qualifier was top, with 567,045 page views, making it the sixth-biggest story of the year across all genres. July 8 was the strongest day of the year for sport, thanks in part to the Waterford-Kilkenny qualifier, and it was one of the 15 strongest days overall on [RTE.ie](http://RTE.ie), with sport providing 44% of the page views.

Users return week after week to [rte.ie/sport](http://rte.ie/sport) for informative and entertaining match trackers. Away from live events, the biggest stories on [rte.ie/sport](http://rte.ie/sport) were the deaths of Jimmy Magee and Tony Keady, a report on the passing of the Super 8 motion at Congress and Peter O'Mahony being named captain for the Lions' first test against the All Blacks.

On our social channels, *The Sunday Game* page grew by 52.85% to 201,000 followers. RTÉ Sport (+20.46%), RTÉ Rugby (+15.67%) and RTÉ Soccer (+11%) also saw reasonable growth, thanks in part to a new video strategy. The Twitter accounts grew by a combined 3.41%.

## Radio

Sport had another successful year across RTÉ's radio services. Having finished 2016 with both weekend programmes in the top 20 of all radio shows, 2017 saw further significant increases. For the first time in many years, both *Sunday Sport* and *Saturday Sport* had more than 200,000 listeners.

It was also the first year of the five-year GAA rights deal, in which RTÉ won exclusive radio rights to all GAA matches. This required the allocation of extra resources, including the first use of the new RTÉ Radio 1 Roadcaster.

Live coverage of domestic and international rugby and soccer continued to be the backbone of RTÉ's coverage, as RTÉ continued to expand its coverage of women athletes in all three of the major field sports.

RTÉ Sport maintained approximately 15 hours of regular programming and bulletins every week in 2017.

# All the News, Now

When stories break, wherever they break, RTÉ News has the latest, in Irish and English, delivering to the nation and beyond.

More than 1,000,000 people stay up to date with RTÉ News on social media.









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RTÉ News &  
Current Affairs**

About RTÉ News & Current Affairs

RTÉ is the biggest provider of broadcast and online news in Ireland. A comprehensive network of regional and international correspondents works tirelessly to bring audiences the news when and where they need it, across multiple and ever-expanding platforms. Reporting, investigating and analysing, RTÉ News provides audiences in Ireland with a unique indigenous perspective in an increasingly globalised context.

Throughout 2017, RTÉ was Ireland's most trusted source for news and current affairs.

During the year, RTÉ News & Current Affairs began a process of becoming a genuinely 'digital first' news service. Each month, audiences accessed more than 78 million page impressions on RTÉ News Now – Ireland's most used news app. While broadcast audiences to RTÉ's news and current affairs programmes held steady in 2017, traffic to the RTÉ News Now app rose 16%. In contrast to TV, where audiences are ageing, more than half the users of the RTÉ News Now app are aged 35-54.

A dedicated innovation team had a significant impact nationally and internationally. They created and edited digital content on mobile devices for a mobile audience who use social media platforms; much of their reporting subsequently aired on traditional, broadcast channels.

On Monday 16 October 2017, coverage of Storm Ophelia delivered the strongest ever day for RTÉ News's digital services, with a 39% increase on Election 2016 coverage, which held the previous record for the highest number of users. Total news traffic for [rte.ie/news](http://rte.ie/news) and RTÉ News Now was close to five-times typical daily levels, reaching 1.7 million unique users.

All of RTÉ television's news and current affairs programmes ended 2017 with a greater share of viewers than in December 2016, driven by an exceptionally busy news year. In 2017, *Six One* and the *Nine O' Clock News* were regularly the most-watched programmes on Irish television. On radio, *Morning Ireland* remained the county's favourite listen, while *News at One* and *This Week* were again at the forefront of breaking big stories.

Storm Ophelia in October delivered large audiences on TV. Some 2.3 million people tuned into RTÉ One as the schedule was cleared for news coverage – an increased reach of 871,000 viewers against an average day.

Brexit, and the implications for Ireland, both North and South, played significantly throughout 2017, with RTÉ breaking a series of stories around the UK's negotiations with the EU. RTÉ was the first to report the resignation of Northern Ireland's former Deputy First Minister, Martin McGuinness, triggering

Sinn Féin's withdrawal from the power-sharing administration at Stormont. RTÉ News was also the first to report his death two months later at the age of 66. There was extensive coverage of the Assembly elections that followed McGuinness's resignation and of a surprise UK General Election. RTÉ provided live overnight coverage of the results from London, Dublin and Belfast, across radio, TV and online.

RTÉ also provided significant coverage of the terror attacks in London and Manchester, and the devastating fire that engulfed Grenfell Tower.

The crash of coastguard helicopter *Rescue 116* off the Mayo coast was one of the biggest domestic stories of the year. The search for the missing crew and the funerals of the two crew members whose bodies were recovered, produced heart-breaking images – and raised significant questions for the company that provides Ireland's search-and-rescue service.

The year also saw the retirement of one Taoiseach, the election of a second and the death of a third. In June, Enda Kenny stepped down after six years as Taoiseach and 15 years as leader of Fine Gael. Replacing him, Leo Varadkar became the youngest head of Government in the history of the State. By contrast, when Liam Cosgrave died in October aged 97, he was the longest lived of Ireland's Taoisigh – a man who led Ireland before his latest successor was even born.

Overseas, Donald Trump made headlines throughout 2017 – from his inauguration to allegations of Russian involvement in the 2016 election to his foreign policy of "America First", with all that may entail for US business in Ireland.

RTÉ News & Current Affairs provides a service of daily news as Gaeilge. *Nuacht* is broadcast on RTÉ One, RTÉ News Now and TG4 from Baile na hAbhann. It offers national and international content along with a unique perspective on Gaeltacht, Irish-language and rural affairs. From Donegal floods to Ophelia, and from the Grenfell disaster to Catalanian unrest and the ongoing uncertainty for communities from Brexit, *Nuacht* provided a comprehensive but fresh look at all the major stories.

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In 2017, *Six One* and the *Nine O' Clock News* were regularly the most-watched programmes on Irish television. On radio, *Morning Ireland* remained the county's favourite listen, while *News at One* and *This Week* were again at the forefront of breaking big stories.

# Operational Review A Year in Review RTÉ News & Current Affairs (continued)

Across the year, Nuacht on digital attracted nearly four million page visits, with increasing emphasis on original regional, local and Gaeltacht stories. These stories have seen strong growth in the popularity of Nuacht content on social media platforms. All digital services draw on content from both Nuacht and Raidió na Gaeltachta. On a daily basis, Nuacht contributes reports and other content to RTÉ Raidió na Gaeltachta for *Nuacht* bulletins on RTÉ Radio 1, 2fm and lyric fm.

Craoladh as Baile na hAbhann an tseirbhís laethúil Nuachta ar RTÉ One, RTÉ News Now agus ar TG4, agus réimse ábhar náisiúnta, réigiúnach agus idirnáisiúnta ann, mararon leis an léargas ar leith ar chúrsaí Gaeilge, Gaeltachta agus tuaithe. Idir thuilte Dhún na nGall, stoirm Ophelia, tubaiste Grenfaell, an chorraíl sa Chatalóin, agus impleachtaí éiginnte do phobail ó Bhrexit, bhí clúdach cuimsitheach agus úr ar na mórscéalta ar fad. I rith na bliana, tharraing Nuacht digiteach beagnach ceithre milliún cuairt, agus béim níos mó ná riamh ann ar scéalta sainiúla, réigiúnacha agus Gaeltachta. Chonaic na scéalta seo fás láidir sa tóir atá ar ábhar ó Nuacht ar na meáin shóisialta éagsúla. Tá ábhar ó Nuacht agus ó RTÉ Raidió na Gaeltachta ag croí na seirbhísí digiteacha uile. Agus ar bhonn laethúil, cuireann Nuacht tuairiscí agus ábhar eile ar fáil do RTÉ Raidió na Gaeltachta do na feasacháin nuachta ar RTÉ Raidió 1, RTÉ 2fm agus RTÉ lyric FM.

Again during 2017, *Prime Time* led the way in breaking stories: from the crash of *Rescue 116* – and continuing concerns for Ireland's search-and-rescue helicopters – to revelations around Garda whistleblower Maurice McCabe. *Carers in Crisis* revealed the plight of nearly 200,000 people who dedicate their lives to caring for loved ones who are unable to care for themselves. Census 2016 revealed a 35% increase in the number of carers who are aged 85 and over. *Carers in Crisis* prompted calls for the State to do more to support Ireland's hidden army of heroes.

Ireland's national conversation continued to play out on *Claire Byrne Live* every Monday night. Through polling carried out by Amárach Research, the programme took the temperature on the biggest stories – from Donald Trump and the United States' place in the world to Brexit and the desire for a united Ireland.

In December, RTÉ One broadcast the first of what will become a quarterly examination of the biggest challenges facing Ireland. The *Big Picture* brought together journalists and producers from across RTÉ to explore the problem of homelessness. It also gave those with nowhere to call their own a chance to tell their stories and challenge the Minister for Housing in a live studio discussion.

Throughout 2017, RTÉ Investigates produced a number of high-impact, public-interest programmes as well as investigative reporting across all of RTÉ News programmes and platforms. *RTÉ Investigates: Living on a List* revealed the pain and suffering of those living on hospital waiting lists. It exposed the true number of patients on waiting lists, which was almost double the number published by the Department of Health, prompting questions in the Dáil. In November, *RTÉ Investigates: Nightmare to Let* revealed how unscrupulous landlords were maximising their profits by packing tenants into overcrowded and sub-standard accommodation. In one case, there were 60 tenants living in a single house.

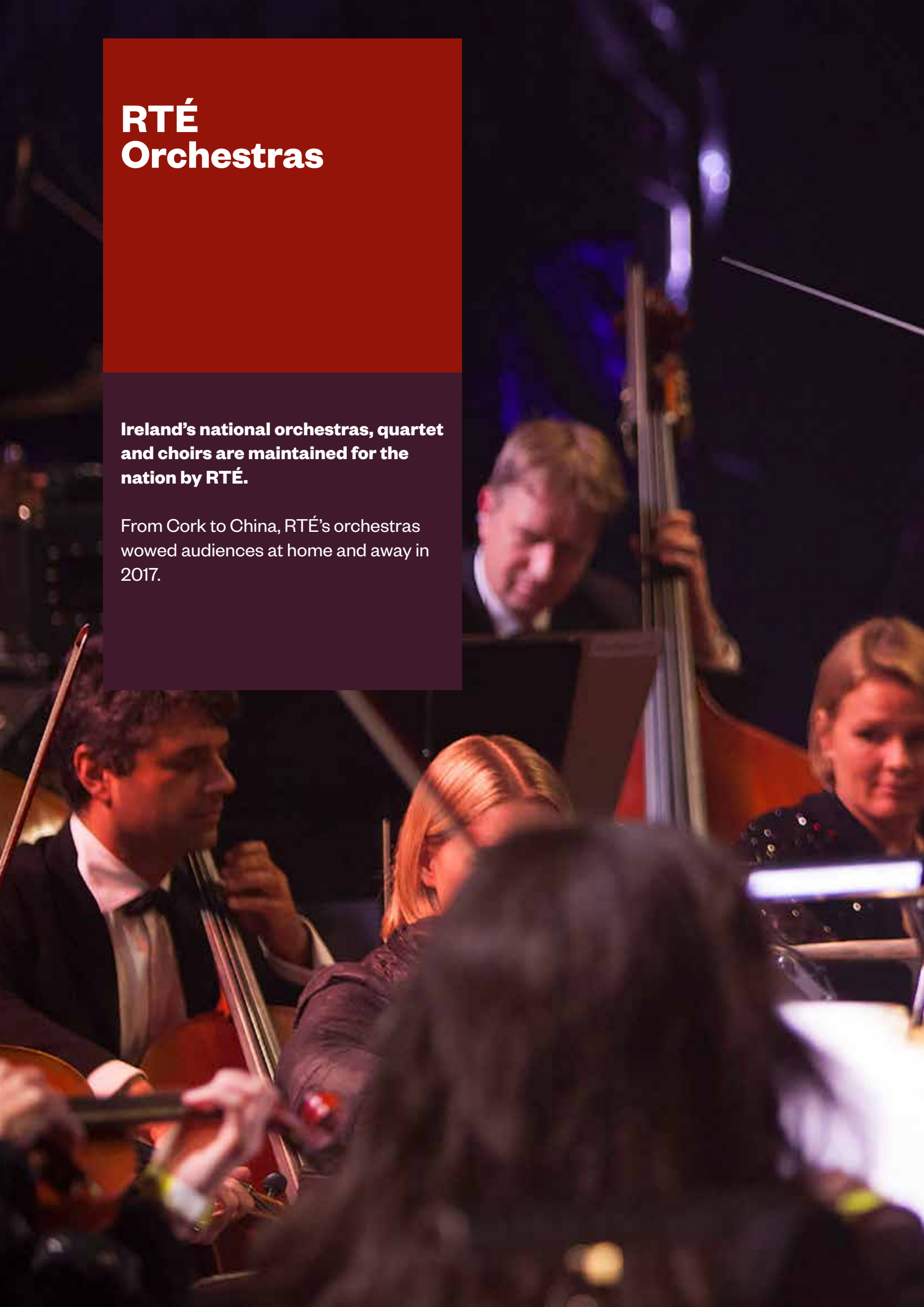
After almost 30 years presenting *Morning Ireland*, Cathal Mac Coille retired from RTÉ in 2017, the first of some significant changes in RTÉ News. Two decades after he began on *Six One*, Bryan Dobson swapped TV for radio as one of the presenters of *Morning Ireland*. RTÉ announced that, in January 2018, Keelin Shanley and Cairtriona Perry would take over as co-anchors of *Six One*.



# RTÉ Orchestras

**Ireland's national orchestras, quartet and choirs are maintained for the nation by RTÉ.**

From Cork to China, RTÉ's orchestras wowed audiences at home and away in 2017.







**Operational  
Review  
A Year in Review  
Orchestras,  
Quartet and  
Choirs**

About RTÉ Orchestras, Quartet and Choirs

There are more than 350 performers in RTÉ's music ensembles, of which 130 are full-time professional musicians. RTÉ is the single, largest supporter and promoter of orchestral music in Ireland. It presents live performances (many of which are also broadcast and available online), and commissions and performs new music. In addition, RTÉ's support for live music results in a significant number of additional freelance musicians being engaged each year as specialist players and accompanists, together with nationally and internationally recognised soloists and conductors.



## **RTÉ National Symphony Orchestra**

Highlights of the RTÉ National Symphony Orchestra's (RTÉ NSO's) year include the appointment of Principal Guest Conductor Nathalie Stutzmann, whose concerts consistently attracted capacity audiences, and critical and popular acclaim. At the invitation of Maestro José Serebrier and the National Centre for Performing Arts in Beijing, the orchestra performed to a full house in Beijing in July, with the audience demanding no fewer than five encores.

The year began with a memorable performance of Handel's *Messiah* with the RTÉ Philharmonic Choir, conducted by Mark Hindley, with soloists including Irish singers Sharon Carty and Gavin Ring.

Notable events included a recording of Bill Whelan's *Linen and Lace* with Sir James Galway for release on the RTÉ lyric fm label; family and educational concerts with Paul Rissmann; the RTÉ NSO mentoring scheme for third-level music students, including participants from all major third-level music colleges on the island; and, over two days, the performance of all four Tchaikovsky works for piano and orchestra with internationally acclaimed Russian conductor Alexander Vedernikov.

In March, Anthony Long was appointed General Manager, having held the same role in the RTÉ Concert Orchestra for the previous 14 years.

In 2017, the NSO collaborated with major classical artists such as Vadim Gluzman, Simone Lamsma, Kari Kriikku, Veronika Eberle, Håkan Hardenberger and Boris Giltburg. Distinguished violinist Maxim Vengerov performed with and conducted the orchestra as part of the National Concert Hall's International Concert Series.

Internationally acclaimed performer and composer Micheál Ó Súilleabháin made his RTÉ NSO debut. The sell-out concert featured a stellar line-up of musicians, including Iarla Ó Lionard (of The Gloaming), Kenneth Edge and Mel Mercier. A collaboration with Cork's Sounds from a Safe Harbour festival saw the orchestra perform a concert with singer-songwriter Lisa Hannigan, which was recorded and broadcast on RTÉ television.

Significant 20th century figures featuring in repertoire included Lutoslawski, Bodley, Barry, Dennehy, Adès, Sofia Gubaidulina and Messiaen.

For the second year running, the orchestra collaborated with the Contemporary Music Centre to present Composer Lab. This unique opportunity provides emerging composers with a creative and open environment in which to deepen their understanding of writing for a full symphony orchestra. Contemporary composers also featured in the Music of our Time concerts.

As part of Culture Night, the NSO presented two free concerts at the National Concert Hall with esteemed American conductor Robert Trevino and much-admired pianist Paul Lewis. Capacity houses were treated to Hindson's urban-club-scene-inspired *Speed*, as well as Tchaikovsky's *Romeo and Juliet Fantasy-Overture* and Grieg's celebrated *Piano Concerto*.

Irish artists also performed with the RTÉ NSO across the year, including Máire Flavin, Mark Redmond, Tara Erraught, Majella Cullagh, Paul McNamara, Gavin Ring, Rachel Kelly and John O'Connor. The orchestra's Summer Lunchtime series, with live broadcasts on RTÉ lyric fm, was designed to showcase young Irish performers, including an RTÉ NSO conducting debut for Karen Ni Bhroin.

In December, the orchestra reached new and diverse audiences with live-to-projection performances of *Harry Potter and the Chamber of Secrets* at the 3Arena, and *The Legend of Zelda: Symphony of the Goddesses* and *E.T.* at the Bord Gáis Energy Theatre, as well as performances of its Christmas Gala in Drogheda, Wexford and Dublin.

The year finished on a high note with the RTÉ NSO's first New Year's Eve Gala in more than a decade, with Charles Castronovo and Claudia Boyle at the National Concert Hall selling out weeks in advance.

## **RTÉ Concert Orchestra**

An eclectic year saw the RTÉ Concert Orchestra (RTÉ CO) continue its RTÉ 2fm live concerts, perform a wide range of musical genres, give a number of Irish premières and embark on its first tour of China.

The hugely successful collaboration with RTÉ 2fm was developed further with a new set at Electric Picnic. The Story of Hip Hop with DJ Mo K, rappers Mango and Jafaris, and singers Jess Kav and Erica Cody was added to the bill with the 90s dance classics set with DJ Jenny Greene and vocalist Gemma Sugrue. The dance classics night also returned to the 3Arena in Dublin and played two Live at the Marquee nights in Cork, one night at the Galway International Arts Festival and two nights at the INEC in Killarney.

Other regional events included a second, classical night at the Galway International Arts Festival, a concert at the 40th Clifden Arts Festival and a concert to celebrate the 10th anniversary of the Solstice Arts Centre in Navan.

Concerts ranged from baroque, classical and choral repertoire to musical theatre and from popular to traditional. Large-scale screenings with live score included the European première of *An American in Paris Live* and the Irish premières of *Harry Potter and the Philosopher's Stone Live* and *Independence*

# Operational Review A Year in Review Orchestras, Quartet and Choirs (continued)

*Day Live*. Screenings with a particularly Irish flavour included *Guests of the Nation* with a score by Niall Byrne. Another notable film-music event was a celebration of Elmer Bernstein, conducted by his son, Peter Bernstein, with special guest John Landis.

Recordings included a second volume of orchestrated performances with the late Joe Dolan, a new commission by RTÉ lyric fm Composer in Residence Sebastian Adams and Brian Byrne's score to the upcoming film *Black 47*.

Family concerts included a performance with The Wiggles, and screenings of the *Gruffalo* with live score and *Revolt Rhymes* (all in Dublin), and screenings of *The Snowman* as part of a family concert in the INEC, Killarney.

Prestigious artists joining the RTÉ CO as part of its Signature Series were drawn from the worlds of jazz, classical, film and traditional, with appearances by Michael Feinstein, Danielle de Niese, David Arnold, Vanessa Benelli Mosell, Stacey Kent and Beoga. In their first concert together, JoAnn Falletta (voted world's favourite conductor in a Bachtrack poll in 2015) joined the RTÉ CO (voted world's favourite orchestra in the same poll). The RTÉ CO also performed with two of Ireland's most popular singer-songwriters, Gilbert O'Sullivan and Declan O'Rourke.

The RTÉ CO ended the year embarking on its first tour of China, with five concerts in five cities between 31 December 2017 and 6 January 2018.

## RTÉ Contempo Quartet

The Quartet began 2017 as it ended 2016, with the final three programmes of its Complete Bartók Cycle, in Dublin (National Concert Hall), Cork (Triskel), Limerick (Gallery of Art) and Kilkenny (Castalia Hall and St Mary's Cathedral), between January and March.

After a summer break, it began the mammoth challenge of performing all 16 quartets and the *Grosse Fugue* by Beethoven during the 2017-18 season. The first four programmes were played over 18 concerts in five venues (Dublin, Cork, Limerick, Kilkenny and Navan) between September and December 2017.

It also premièred five new RTÉ commissions (by Linda Buckley, David Coonan, Seán Clancy, Raymond Deane and Deirdre McKay) and continued its well-supported John Lynch memorial workshops in the RIAM in Dublin, focusing particularly on young, beginner quartets.

Recordings included Gerald Barry's *Quartet No 1* and *Midday for Two Quartets* (with the Vogler

Quartet, recorded in Sligo) as well as the rarely played string quartets of Irish-American composer Swan Hennessy.

In 2017, The Contempo Quartet played 40 events for RTÉ and worked with guest artists such as Cathy Belton (Good Friday), Hugh Tinney (NMD Festival, March) and Denis Kozhukhin (late-night NCH, March).

## RTÉ Cór na nÓg

In April, the choir celebrated its 30th birthday year in style with a performance, with bass soloist Gavan Ring, of Fauré's *Requiem* to a capacity crowd in Christ Church Cathedral. This was broadcast by RTÉ lyric fm and across the European Broadcasting Union. The choir also joined with the RTÉ Philharmonic Choir for Bach's *St Matthew Passion* on Good Friday, and the Aspiro Choir in Carlow for the Pan Celtic Festival in April. RTÉ Cór na nÓg hosted the Belfast Phil Kids choir for a Saturday workshop and performance day in May.

Christmas saw four events, including another sold-out concert in St Ann's Church; a guest spot at the Defence Forces Christmas Service, accompanied by the Army No 1 Band; and a recording with the RTÉ Concert Orchestra for the *Today with Sean O'Rourke* show on RTÉ Radio 1.

Repertoire ranged from Bach to *Les Misérables*, with the children continuing to impress with their talent, dedication and sheer enjoyment of making music together.

## RTÉ Philharmonic Choir

Handel's *Messiah*, conducted by Chorus Master Mark Hindley to a packed National Concert Hall in January, was the first performance of the work in the choir's 32-year history. A performance of Mozart's *Requiem* in December, under RTÉ NSO Principal Guest Conductor Nathalie Stutzmann, received a lengthy ovation from the audience.

Other performances included the world première of *Humiliated and Insulted* by Gerald Barry (February), Bach's *St Matthew Passion* on Good Friday and Elgar's *The Dream of Gerontius* under the baton of conductor Gerhard Markson.

## RTÉ ORCHESTRAS' PERFORMANCES

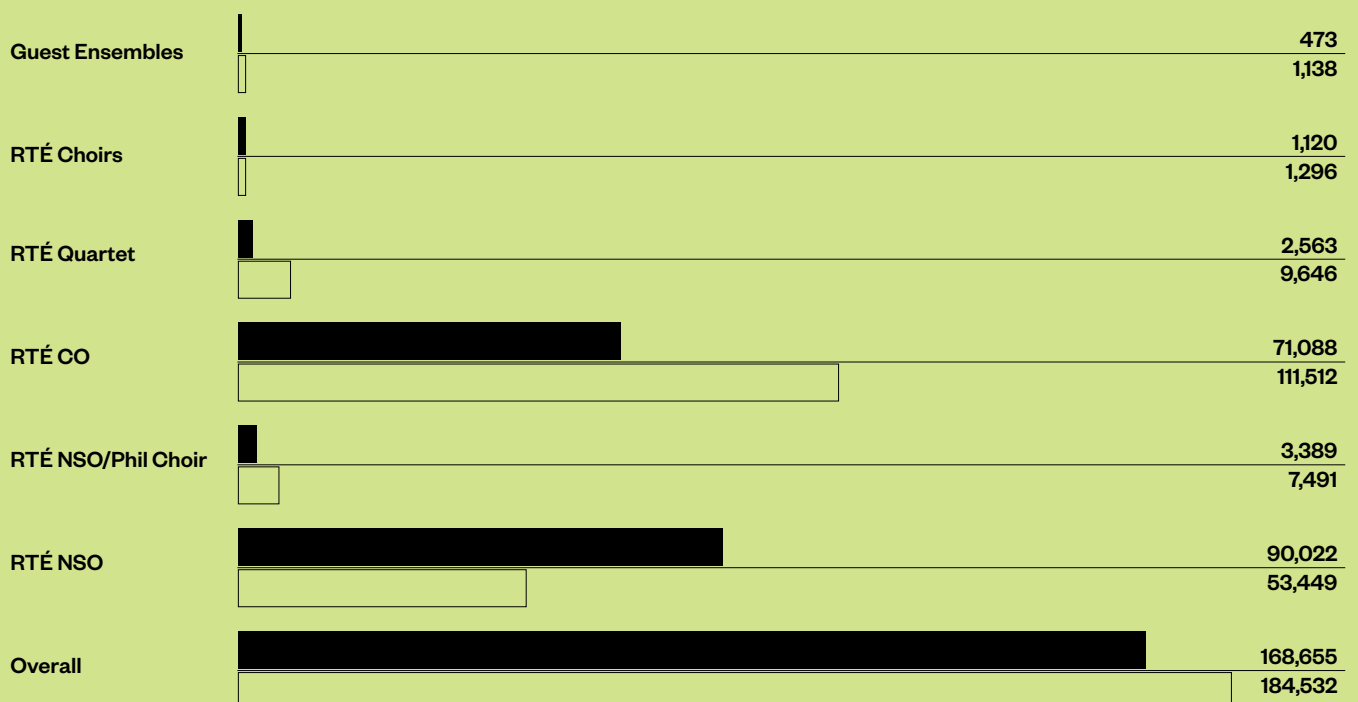
■ 2017 □ 2016



Source: RTÉ

## RTÉ ORCHESTRAS' ATTENDANCES

■ 2017 □ 2016



Source: RTÉ

# Living the Language

**The Irish language continues to be embedded as part of a guiding ethos for RTÉ's 25 services.**

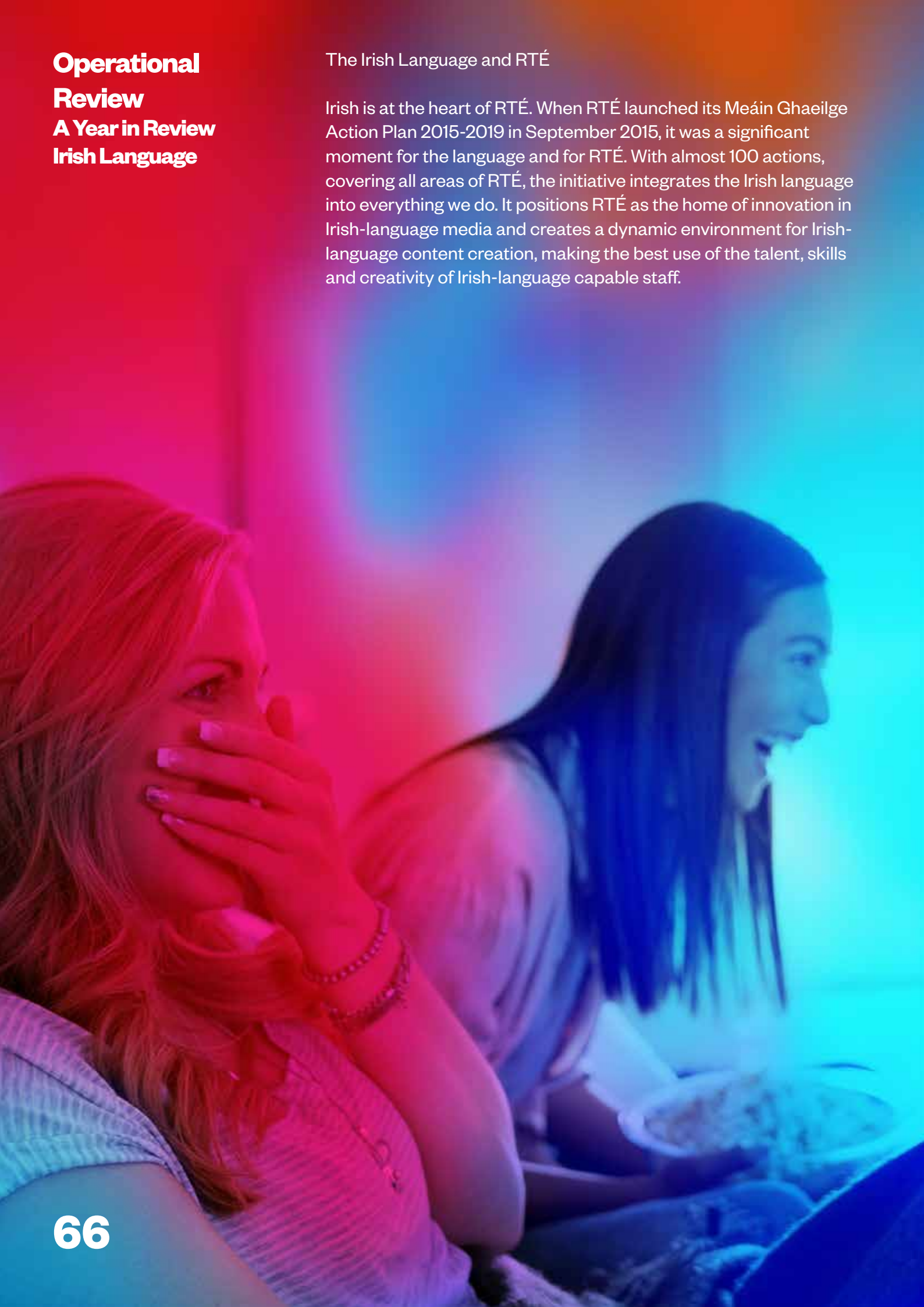




**Operational  
Review  
A Year in Review  
Irish Language**

The Irish Language and RTÉ

Irish is at the heart of RTÉ. When RTÉ launched its Meáin Ghaeilge Action Plan 2015-2019 in September 2015, it was a significant moment for the language and for RTÉ. With almost 100 actions, covering all areas of RTÉ, the initiative integrates the Irish language into everything we do. It positions RTÉ as the home of innovation in Irish-language media and creates a dynamic environment for Irish-language content creation, making the best use of the talent, skills and creativity of Irish-language capable staff.



RTÉ's approach to Irish-language content significantly shifted in 2017, with a focus on digital innovation and a considerable increase in the amount of online content.

In 2017, Seachtain na Gaeilge output by RTÉ's Cláracha Gaeilge department was marked by a digital-first approach. Audiences were brought on a colourful whistle-stop tour of the Irish language in the wild as part of *Random Acts as Gaeilge*. It was shown online over two weeks in the form of mini-stories, before being brought together as one linear programme.

Supplementing this, well-known personalities at home and abroad – such as Stephen Fry, Stephanie Preissner and Ronan O'Gara – shared their experiences of the Irish language through recorded video messages that were shared daily on RTÉ.ie and on social media.

RTÉ's launch of a dedicated Irish-language website, [rte.ie/gaeilge](http://rte.ie/gaeilge), was a significant digital development in the Irish-speaking community. The site gave a platform to a host of new voices, with a mixture of entertainment, cultural and current affairs coverage. Along with shining a light on some of the excellent content on RTÉ services, such as RTÉ Raidió na Gaeltachta and Nuacht RTÉ, the site's Irish-language content is interspersed throughout English-language content in relevant areas of RTÉ.ie and across social media.

RTÉ's first dedicated Irish-language podcast series was also born in 2017, with the three hosts garnering a strong following throughout the year. RTÉ's Irish-language digital coordinator, Siún Ní Dhuinn, with Áine Ní Bhreisleáin and Sinéad Ní Uallacháin of RTÉ RnaG, presented *Beo ar Éigean*. The three turned up at the Oireachtas na Gaeilge festival in Killarney in November to promote the podcast and provide dedicated coverage of the festival on RTÉ.ie. Oireachtas na Gaeilge also saw RTÉ Raidió na Gaeltachta invest in new camera technology as the service continued to develop its video streaming of live shows.

RTÉ's increased focus on digital Irish-language content continued through its social media platforms, with posts as Gaeilge interwoven through RTÉ's main social accounts, including a series of *Operation Transformation* videos in Irish.

On RTÉ One, *GAA Nua* was produced in the Connemara Gaeltacht by Meangadh Fíbin and presented by Dara Ó Cinnéide. This four-part, BAI-supported series looked at the increased use of science and technology within Gaelic Games. Debuting in summer, it increased both the slot and share average. *U2 Agus An Arc*, aired to coincide with U2's return to Croke Park, garnered huge reaction and attention.

RTÉ's in-house Cláracha Gaeilge output continued to attract strong audiences with long-running series such as *Scannal* and *Cloch Le Carn*. The in-house production team also produced *An Teorainn* and *Fab Vinny*, a short strand looking at the physical character of the border with Northern Ireland and a profile of the late RTÉ presenter Vincent Hanley, respectively.

In 2017, the GAA All-Ireland series saw the most matches ever provided with dual-language commentary – Irish and English-language commentary were available on matches from the quarter-final stage onwards. There was also an increase in the number of platforms on which the commentary option was available, with Saorview, Sky, Eir and Virgin Media all providing the service option.

RTÉ Raidió na Gaeltachta aired its first weekly programme from Boston in the US. *Anall as Meiriceá* provided a platform for the considerable number of Irish speakers in the US. It also gave listeners in Ireland a unique insight into life on the other side of the Atlantic.

Along with the first joint simultaneous broadcast with RTÉ lyric fm, RTÉ RnaG had another first – a joint radio/television broadcast of religious services in conjunction with RTÉ One.

RTÉ Raidió na Gaeltachta maintained its key regional focus, with live broadcasts and outreach at events such as the Willie Clancy Summer School, Fleadh Cheoil na hÉireann and the Oireachtas na Gaeilge festival. It also focused on events in all Gaeltacht regions, including the smaller Gaeltacht regions in Meath, Cork and Waterford.

Nuacht RTÉ's presence on the RTÉ News Now app and website attracted nearly four million page visits in 2017, with an increasing emphasis on original regional, local and Gaeltacht stories. Nuacht's stories, produced in conjunction with RTÉ Raidió na Gaeltachta, have seen a strong growth in the popularity of Nuacht content on social media platforms. Nuacht continued to provide the daily service to RTÉ One, RTÉ News Now and TG4, offering national and international content along with a unique perspective on Gaeltacht, Irish-language and rural affairs, as well as contributing to the RnaG bulletins on RTÉ Radio 1, 2fm and lyric fm.

RTÉ 2fm continued its strategy of integrating Irish into a schedule aimed at a receptive youth audience. The station piloted a unique bilingual news bulletin from 7am to 1pm during Seachtain na Gaeilge, while Eoghan McDermott was joined by actor Cliona Ní Chiosáin for a daily, bilingual blas to his drivetime show.

# Operational Review A Year in Review Irish Language (continued)

*Breakfast Republic* hosted its own Irish music festival on a bus called *Coach Eile*, while the band Seo Linn launched their new album and single on RTÉ 2fm with a live music session. RTÉ 2fm also backed an Irish-language fun book based on Seo Linn's album, which was produced and distributed to primary schools all over Ireland. RTÉ 2fm also continued with *The Chart Show*, presented in Irish and English by Bláthnaid Treacy.

RTÉ continued its innovative outreach media education programme, with a week-long training course taking place in An Cheathrú Rua in the Galway Gaeltacht. A total of 20 transition-year students from Gaeltacht schools and Gaelscoileanna around the country attended NUI Galway's Acadamh centre. They participated in a series of workshops given by award-winning producers of radio, television and online content, which gave them special insights as they learnt how to create their own media stories. The students also received an invaluable insight into how the media works on a day-to-day basis, with onsite visits to RTÉ RnaG, RTÉ Nuacht and TG4, along with independent media companies in the area.

The National Concert Hall witnessed a truly historical moment when the first Irish-language opera was brought back to life after a 100-year absence. Robert O'Dwyer's *Eithne* was performed by the RTÉ National Symphony Orchestra and the Opera Theatre Company, and was broadcast live on both RTÉ Raidió na Gaeltacht and RTÉ lyric fm.

On St. Patrick's Day, the RTÉ National Symphony Orchestra played the music of Irish composers Bill Whelan and Shaun Davey, with the performance presented in Irish, live on RTÉ lyric fm, by Doireann Ní Bhriain. Also in 2017, Seán Ó Riada's iconic *Mise Éire* score was performed by the RTÉ Concert Orchestra, with the accompanying film screened simultaneously and narrated by RTÉ RnaG's Sinéad Ní Uallacháin.

From Cork, RTÉ Radio 1 piloted a new bilingual show, *Maura agus Dáithí um Nollaig*, presented by Maura Derrane and Dáithí Ó Sé. Among other Irish-language content on RTÉ Radio 1, *Drama on One* broadcast the plays *Líon mo Bhearna* and *An Duairceán*, along with the weekly *An Scoth* on Saturday nights. The increased standing of Nuacht RTÉ bulletins, now promoted to on-the-hour slots on RTÉ Radio 1, continued.



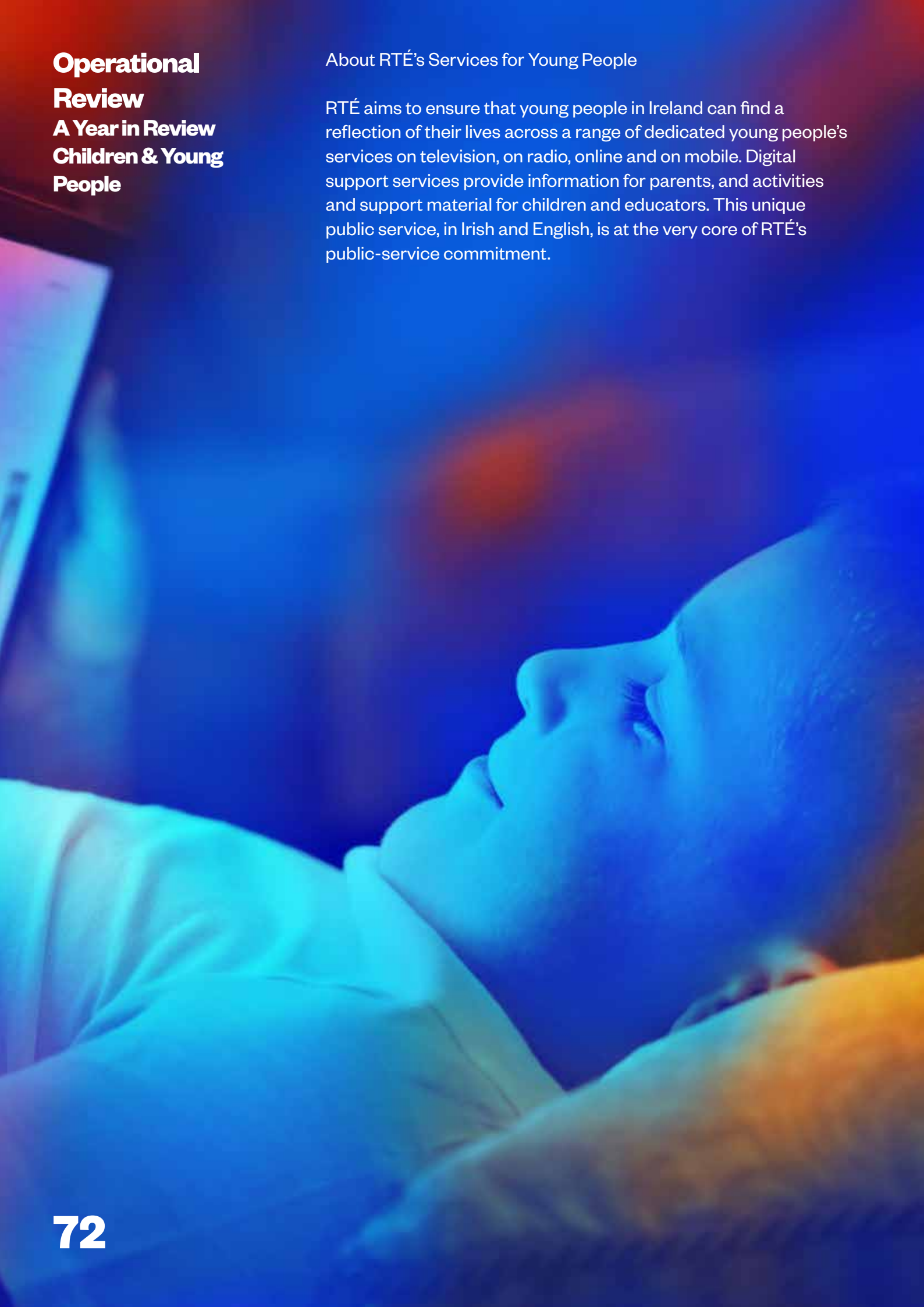


A man in a plaid shirt is speaking into a microphone. In the background, there is a yellow wall with a white pattern and a screen displaying a purple object. Another man is visible in the background, looking towards the speaker.

# Watch Listen Play

**RTÉ is proud to provide Ireland's only dedicated, standalone national service for children, parents and educators.**





**Operational  
Review  
A Year in Review  
Children & Young  
People**

About RTÉ's Services for Young People

RTÉ aims to ensure that young people in Ireland can find a reflection of their lives across a range of dedicated young people's services on television, on radio, online and on mobile. Digital support services provide information for parents, and activities and support material for children and educators. This unique public service, in Irish and English, is at the very core of RTÉ's public-service commitment.

## RTÉjr

Throughout 2017 RTÉjr, RTÉ's dedicated commercial-free service for children under the age of seven, delivered a range of programmes across genres on RTÉjr on television and on the RTÉjr app.

### All New in 2017

New commissions in 2017 included *Showtime*, which highlighted the enthusiasm of children who spend long hours of fun preparing and training their calves, sheep and ponies to show at agricultural shows over the summer months. The 15-part series *All Aboard* took younger viewers on a three-week barge journey from Dublin's Grand Canal Dock to Shannon Harbour, with sisters Caoimhe and Muireann and their parents.

### That's Magic

New magic show *AbraKidabra* saw magician Joe Daly perform comedic and mesmerising magic tricks for an energetic live audience. *Mr. Mender and the Chummyjiggers* was a bright and energetic preschool puppet series, while *Wildwoods* was a 26-part comedy puppet series featuring giant sasquatch Cooper, who leaves his home in the big city for the Wildwoods forest with Poppy, a feisty pint-high sugar-glider.

### Children Say the Funniest Things

Long-running RTÉjr interstitial series *Kidspeak* was commissioned from the independent sector for the first time, while high-volume linking interstitial series *Bright Sparks* went into production.

### Embracing Difference

Recommissioned series included *What Makes My Day*, which explores difference and disability through the stories of 10 children living in Ireland, including Joseph, whose assistant dog Harvey helps him to walk. We also met Lilah, who is home-schooled in Donegal; Mohammed, who is spending his first summer in Dublin; and Will, whose passion is ballet.

*Wonder What?* took a slightly different turn in its second series, exploring how things work, such as a lifting bridge, a newspaper printing press and container cranes at Dublin Port.

### Animating Ireland

In animation, a new 52-part RTÉ/Cbeebies series *Pablo* followed a smart, funny five-year-old boy on the autism spectrum. He uses his crayons and his creativity to transform obstacles into adventures in his art world. The series was celebrated as the first to feature a central character and cast who are all on the autism spectrum.

*Angela's Christmas*, a 26-minute Christmas special based on a short story by Frank McCourt, was a highlight of the RTÉ One Christmas schedule. *I'm a Fish* explored life under water in a 52-part 2-minute

series, while *Brewster The Rooster* answered the questions kids like to ask in a fun animated series. *Peek Zoo*, *Mya Go* and *Ballybraddan* all went into production for 2018.

The RTÉ Animated Shorts Scheme 2017 saw five shorts commissioned from new Irish studios.

### Teen Nation

The TRTÉ block on RTÉ2 provided programming for seven to 15 year olds. New programmes in 2017 included *Drop Dead Weird*, a 26-part Australian/Irish sitcom starring Pauline McLynn and David Rawle.

The third series of animated science comedy *Brainfreeze* was broadcast across Science Week 2017.

### RTÉjr Radio

RTÉjr Radio continued to provide a platform for new, young broadcasters to establish an on-air presence as well as experience in programme production and development. In 2017 the service was awarded a bronze trophy for Best Internet Radio Service in the prestigious New York Festivals Radio Awards.

### Let's Dance

Several new programme strands started during 2017. These included *Radioactive*, a daily dance and movement strand, presented by John Sharpson, that encourages movement and activity and healthy eating. *Weekend Dance Party* is broadcast every Saturday and Sunday afternoon and is presented by newcomer Lisa Delaney.

### Our Island Nation

RTÉjr Radio broadcast several series during the year that received funding through the BAI Sound & Vision Scheme. *Short Stories From the Longest River* is a series of 12 stories set on the River Shannon, starting at its source at the Pot in Dowra, Co Cavan, through the Callows and finishing in Limerick at the Shannon Estuary where it meets its end. *Celtic Fables in Rhyme*, a series of 10 shows for children, highlights Ireland's Celtic mythological stories in verse form. The stories are readapted in rhyme, adding a new and original twist for a younger audience.

### Dramatic radio

Original drama featured prominently during 2017 with *The Children of Leary*. This six-part drama highlights the universal emotional relevance of traditional tales The Children of Lir and Deirdre of the Sorrows. *A Furry Christmas*, an original 30-minute drama written for children by Ciaran Mc Goldrick for RTÉjr Radio, was broadcast on Christmas Eve.

# Watch Listen Discover

**RTÉ serves communities across the island through major national events, always-on social media, a national arts support strategy and a comprehensive corporate social programme.**

130 local and regional arts events supported annually.





# Operational Review A Year in Review Brand, Events and Communities

## Partnerships

RTÉ developed a number of new and valued partnerships in 2017 and supported an even greater number of high-profile regional and national events.

Cruinniú na Cásca was an epic artistic and cultural event that could not have been possible without the strategic partnering of resources and expertise of a number of State agencies. Building on the valued partnerships that were born out of the Ireland 2016 events, Creative Ireland, Dublin City Council, the Office of Public Works, Transport for Ireland and RTÉ joined forces to create a free event of enormous public value and scale. This successful new partnership also extended to RTÉ's flagship Dublin Castle concert for Culture Night.

Science Foundation Ireland's relationship with RTÉ was enhanced even further with Science Week on RTÉ. This cross-platform deep dive into all things science had a particular emphasis on weather in the flagship, new three-part *Weather Live* on RTÉ One.

RTÉ Raidió na Gaeltachta's media partnership of Oireachtas na Samhna 2017 included a new digital layer. A team of mobile journalists fed short-form content from the Irish-language event to [rte.ie/gaeilge](http://rte.ie/gaeilge) and around the world. Seachtain na Gaeilge ar RTÉ featured a wealth of new cross-platform Irish-language content and increased the profile of Conradh na Gaeilge's important Irish-language week.

The title sponsorship of RTÉ Choice Music Prize saw RTÉ join forces with supporters IMRO, Irish Recorded Music Association (IRMA), Recorded Artists Actors Performers (RAAP), Culture Ireland and Golden Discs to reinvigorate the prize's support of Irish home-grown music talent.

National Treasures – a unique partnership between the National Museum, the BAI and RTÉ – was a first-of-its-kind campaign to crowd-source everyday objects that explore the history of the island of Ireland over the past 100 years.





## Brand

Committing to increase the relevance of the RTÉ brand among the 18-34 audience living in Ireland, RTÉ delivered a new cross-platform brand campaign, #iam. The creative took a new direction for RTÉ brand campaigns, daring to challenge pre-conceptions and start a conversation about diversity. It also reminded audiences that RTÉ is committed to “sharing your stories”.

The Because Licence Fee campaign, showcasing content funded through the licence fee, debuted in 2017 with a suite of more than 20 special promotions for television, radio and digital.

RTÉ partnered with the European Broadcasting Union on Europe's first cross-continent marketing campaign for public-service media. The Keep Media Good campaign launched simultaneously in eight European countries, including Ireland, France and Italy.

## Reaching Out

RTÉ's central outreach scheme, RTÉ Outreach, hosted more than 50 public-access tours in 2017. Transition-year students, media and communications students, active retirees and groups with special needs were taken on a behind-the-scenes immersive tour of the most exciting parts of the Donnybrook campus.

Throughout 2017, RTÉ continued to work in partnership with a broad range of civic organisations and charities. We supported public awareness and fundraising campaigns such as the Irish Cancer Society's Daffodil Day and the ISPOC 2fm Ball, which raised more than €500,000 to support the work of Childline and other services. RTÉ staff also participated in a range of fundraising events, including the Focus Ireland Annual Sleepout (contributing more than €35,000 to the funds raised on the night) and the annual SVP Toy and Hamper Appeal.

Over and above community engagement projects such as these, RTÉ continued to develop a comprehensive range of environmental initiatives that helped deliver very considerable cost savings and greatly improved the organisation's overall environmental performance. RTÉ was delighted to have been named Professional Services Winner of the 2017 Pakman Award. The award recognises excellence in the environmental approach taken by a business, organisation or community group in all aspects of their operations. The Pakman judging panel said: “RTÉ's entry was exceptional in terms of presentation, measurable impacts and overall buy-in from stakeholders. RTÉ has shown great leadership and advocacy of environmental sustainability.”

In 2017 RTÉ was one of just 27 companies to be awarded the Business in the Community Business Acting Responsibly Mark. It recognises the commitment and performance of a company to responsible business behaviour. This certification is independently audited by the National Standards

Authority of Ireland and is based on ISO 26000. The standard certifies responsible and sustainable business practice in the workplace, community, environment, marketplace and through corporate governance, as well as recognising highest standards in management, ethics and corporate citizenship.

## Events

### BT Young Scientist & Technology Exhibition

RTÉ was proud to partner with the 2017 BT Young Scientist & Technology Exhibition from 11-13 January. As the RDS opened its doors to 4,251 students from 383 schools, members of the public and school groups, RTÉ was there to capture all the excitement.

The RTÉ set in the Industries Hall hosted an immersive and exciting three-day schedule of live broadcasts, events and activities, including six live radio shows, seven live weather bulletins, *Today with Maura & Daithí*, *news2day*, the RTÉ and Samsung VR Experience, a chance to present the weather and a few surprises.

For those who couldn't make it to the exhibition, RTÉ made sure they were kept up to date with reports on RTÉ News, *news2day* and *Morning Ireland*, together with content hosted on RTÉ Player and sustained coverage across Twitter, Facebook and Instagram.

### RTÉ Mojocon 2017

Some 500 delegates from media organisations across the globe attended the sold-out RTÉ MojoCon 2017 event in the Radisson Blu Hotel, Galway. The conference, which focused on mobile content creation for journalists, ran for three days with 60 speakers discussing the application of mobile journalism in the modern media world.

### RTÉ All-Ireland Drama Festival

This marked the 14th year of the national festival with RTÉ as the title sponsor. An integrated marketing campaign ran across television, radio, online and social media, driving awareness of and engagement with the event and reinforcing RTÉ's partnership and presence at the festival.

### Bloom

The RTÉ set at Bloom 2017 hosted multiple live television and radio broadcasts, offering access to the event to audiences nationwide. This included a substantial increase in the live radio output from RTÉ Radio 1.

An information campaign across television, radio, online, mobile, social media and print encouraged national public interest and ultimately event attendance. In addition, RTÉ's presence and on-the-ground activity offered a unique and memorable experience for the 120,000 visitors.

# Operational Review A Year in Review Brand, Events and Communities (continued)

## **National Ploughing Championships**

RTÉ once again had a significant presence at the National Ploughing Championships in Tullamore. RTÉ's activities at the 2017 event showcased the breadth of services on offer from Ireland's national public-service media organisation.

The RTÉ tent was packed with live television, radio and digital broadcasts; music performances; and Irish-language and panel events. RTÉ One, RTÉ Radio 1, RTÉ 2fm, RTÉ lyric fm, RTÉ Raidió na Gaeltachta, RTÉjr, RTÉ Player, RTÉ.ie and the *RTÉ Guide* were represented across the three-day schedule.

## **Culture Night**

Partnering with the Department of Culture, Heritage and the Gaeltacht; Creative Ireland; Dublin City Council; and the Office of Public Works; RTÉ presented another large, free, open-air concert broadcast live on RTÉ Radio 1's *Arena*.

Visitors could also try their hands at writing a radio play in an intimate workshop from the *Drama on One* team. Jim Carroll's *Banter* asked an eclectic panel of guests what culture means to them. RTÉ Radio 1's *CountryWide*, *Sunday Miscellany* and *Marty Morrissey and Guests* recorded special programmes in the company of live audiences in Dublin Castle's historical Chapel Royal.

The RTÉ National Symphony Orchestra and RTÉ Cór na nÓg performed free concerts at the National Concert Hall. As always, RTÉ brought Culture Night highlights from all around the country to audiences at home on television, on radio and online.

## **Cork Film Festival**

RTÉ Supporting the Arts was delighted to support the 62nd Cork Film Festival as principal media partner. It is Ireland's oldest film festival and screened more than 200 films from 50 countries.

In a first for 2017, RTÉ Supporting the Arts sponsored the Grand Prix Irish Short Award. This is the most prestigious award at the festival, with the winner qualifying for the 2019 Academy Awards long list. In addition, when the festival was over, a hub was created on the RTÉ Player to showcase a selection of Irish shorts.

## **Supporting the Arts, Supporting Communities**

The RTÉ Supporting the Arts scheme assisted more than 130 events across the country in 2017. Throughout the year, the scheme supported various cultural and arts events in music, literature, theatre, dance, exhibitions, spoken word, street art, the Irish-language and emerging digital film technologies. Through the use of airtime across television, radio, online and social media platforms, the scheme elevates these events to the national stage and demonstrates RTÉ's commitment towards the wider arts community throughout Ireland. For organisations on a limited budget, RTÉ

has developed a modular 15-second TV ad, an innovative model of support without comparison in the industry.

The breadth of events supported by the scheme is showcased across RTÉ's central social media platforms, which have a combined audience reach of almost 700,000 followers. With the addition of this enhancement to the scheme, it has proven invaluable in strengthening audience engagement for the beneficiaries.

## **RTÉ Outreach**

RTÉ's curatorial Twitter account, @rte, reached 490,000 followers by year-end, up from 400,000 at the same time in 2016. This makes it the second-largest account owned by any media organisation in Ireland.

RTÉ continues to engage daily with audiences on Facebook through many accounts, including central RTÉ, RTÉ News, RTÉ One and RTÉ 2fm, ensuring that tailored and relevant content is delivered to our growing audiences.

The central LinkedIn account continues to connect RTÉ with the wider media community, educational institutions and other stakeholders by regularly sharing thought-provoking and informative articles and content.



# Free the TV

**Saorview is the largest television  
platform in Ireland.**

661,000 homes now have Saorview.



**Operational  
Review  
A Year in Review  
Saorview**

About Saorview

Saorview is Ireland's largest television platform. It provides free-to-air access to Ireland's domestic television services, including RTÉ, TV3, TG4 and Oireachtas TV.



### **Ireland's Biggest Television Platform**

Throughout 2017, Saorview maintained its position as the largest TV platform in Ireland. According to Nielsen, by the end of the year 661,000 homes had Saorview, which is 42% of all TV homes in Ireland. Of those Saorview homes, about a quarter also have a pay-TV service, whilst the remaining are free-TV homes.

### **Saorview Connect – The Future of Free TV**

Saorview Connect, the new internet-connected product for Saorview, was launched in November. It can be connected to an aerial to receive the Irish TV channels and to broadband to access catch-up TV players (such as RTÉ Player) and a range of on-demand content.

Saorview Connect offers a rich free-TV experience, with a programme title search, the Spotlight recommendation service, a single user interface, a backwards guide and a host of other features. The launch box also features a satellite tuner that provides access to additional free-TV channels. In mid-2018 following a software update, it will be possible to use the box as a personal video recorder (PVR).

To support the launch of Saorview Connect, we undertook a multimedia marketing campaign across TV, radio, print and social. We also worked with the distributor and retailers to ensure the product was available through the supply chain. The launch campaign runs into 2018, with further advertising campaigns planned and an extensive social media promotion, including an innovative Facebook live event. There has been a positive response to Connect with good levels of interest from both consumers and the trade. As we continue to build awareness of the new product, we expect to see good take-up throughout 2018.

Saorview Connect is a managed platform. The software can be updated and rolled out to all users through online and over-the-air downloads. This ensures a consistent and reliable service can be provided to all users and presents Saorview as a vertical product (like pay-TV services) even though it has been delivered through the horizontal market. Taking this approach also means we can more easily launch new on-demand services and further develop the product.

# Serving You, Serving Industry

**As custodians of Ireland's broadcast  
and transmission network,  
2rn makes sure the nation is always  
switched on.**

99.9% of the population access services  
provided by RTÉ's 2rn.







**Operational  
Review  
A Year in Review  
2rn**

About 2rn

2rn, a wholly owned subsidiary of RTÉ, maintains, manages and develops Ireland's broadcast transmission network for all broadcasters on the island.

## General

Serving every home in the State, 2rn's national broadcast transmission and distribution services are regulated by ComReg. In 2017, 2rn continued to work closely with ComReg and other stakeholders to ensure full compliance with all regulatory obligations. In early 2017 2rn finalised an agreement with the Department of Communications, Climate Action and Environment in relation to migrating broadcast services out of the 700 MHz frequency band by 2020. The implementation of this agreement is being overseen by ComReg.

The Saorview and Saorsat services continued to make public-service television and radio services available free-to-air to every home in the State, offering high-quality video and audio. Of the 1.58 million television viewing homes in Ireland, 661,000 homes had Saorview at the end of 2017. In 192,000 homes, Saorview was their only means of watching broadcast television.

In 2017, there were no changes to the number of channels on the Saorview and Saorsat platforms, however there was some reconfiguration of services, with UTV Ireland changing to be3. There were no material changes to radio services during the year.

## Revenue

Despite a number of storms during the year, 2rn maintained 99.9% availability across all services in 2017. During Storm Ophelia, Saorview did suffer some short localised outages, mainly due to electricity outages in the locality of some transmission sites, but FM radio and Saorsat were unaffected.

Overall, 2rn generated revenue of €28.5 million, a small decrease on 2016. This reflects the stabilisation of the broadcast market and a solid performance of the mast and tower rental market.

There were no significant changes in the local and regional radio market, as available spectrum capacity in the FM band is almost fully utilised.

Consolidation of the mobile phone networks did affect revenue and achieving year-on-year revenue stability in the telecommunication business remained challenging.

# Best Seller

**RTÉ's commercial revenue of €151.5 million represents 45% of RTÉ's total revenue. All trading activities were integrated for the first time in 2017. This market-leading initiative was positively received by our client and agency marketplace.**

The *RTÉ Guide* maintains a unique position in Irish homes and readership figures stood at 383,000 (TGI 2017) per week in 2017.



**aste** €2

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SCHOOL  
LUNCHES  
Send them  
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**BONUS!**  
MEGA  
MIDWEEK  
FAMILY  
MEALS  
SPECIAL

**COAST  
DAST**  
Dingle  
Ireland

RTÉ Win! A fab family break



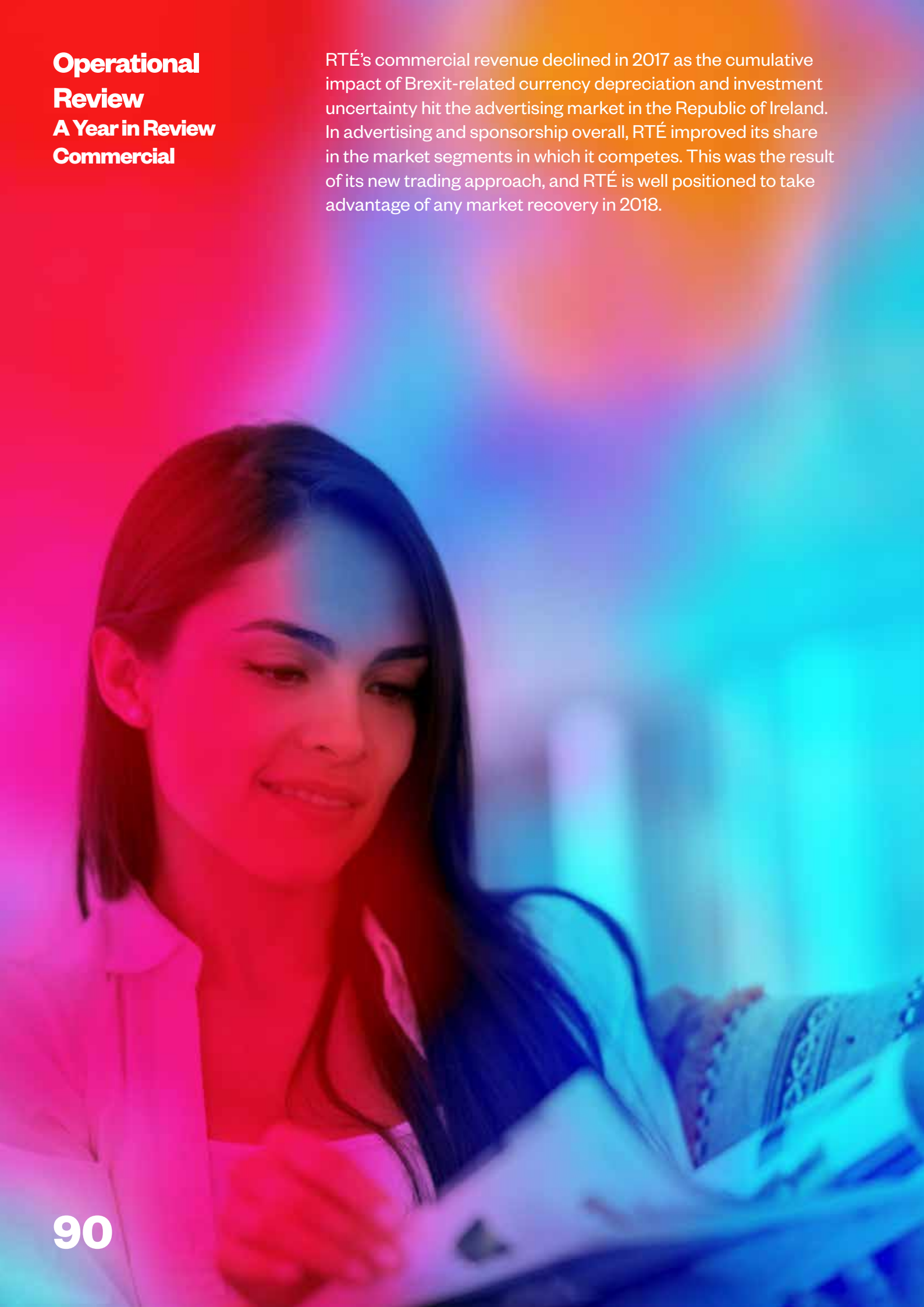
**RTÉ**

**GRAB LIFE**



**Operational  
Review  
A Year in Review  
Commercial**

RTÉ's commercial revenue declined in 2017 as the cumulative impact of Brexit-related currency depreciation and investment uncertainty hit the advertising market in the Republic of Ireland. In advertising and sponsorship overall, RTÉ improved its share in the market segments in which it competes. This was the result of its new trading approach, and RTÉ is well positioned to take advantage of any market recovery in 2018.



TV performance was affected by a continuing downturn in investment, particularly in advertising. TV advertising and sponsorship remains the largest source of commercial income and comprised 57% of total RTÉ commercial revenues for the year.

RTÉ Radio revenues performed well in a difficult market, with a decline of only 2% against a market backdrop of high single-digit declines.

Digital advertising has seen steep declines in display advertising investment, reflecting sharp falls in pricing. This resulted in digital advertising and sponsorship revenues falling below expectation.

Other income lines proved more robust, with a decline of only 1% in the year.

Television sponsorship revenue remained stable due to the continuing success of production-supported programming such as *Today with Maura and Daithi*, drama strand sponsorship, and dayparts and frequency-driven revenue.

### RTÉ Media Sales – Radio

RTÉ Radio 1 responded well in a competitive and challenging environment. Commercial revenue performed well for the year, while the final JNLR audience figures for 2017 confirmed RTÉ Radio 1 as the market leader, with a market share of 22.6% and an audience reach of 24%.

Radio continues to attract advertisers due to its unique reach and low costs of entry. However, in recent years it has faced problems as the increased number of participants has driven down pricing, and it must compete for budgets with social media and search channels, which offer low-cost, always-on access to audiences. Following declines of 5% in the radio advertising market in 2016, 2017 saw the market decline accelerating to an estimated 8%.

However, RTÉ's radio advertising and sponsorship revenue managed to better this decline, at -2%, due to RTÉ's strong market position. Radio sponsorship again had a successful year with brands continuing to invest in RTÉ's programmes.

### RTÉ Media Sales – Digital

Digital advertising and sponsorship income continued to decline in 2017 due to the dominance of a small number of key players (Google and Facebook) and the resulting pressure on revenues in display advertising and broadcaster VOD. Programmatic (automated) advertising continued to grow in the Irish market, with display advertising suffering the biggest impact, both in the market and for RTÉ.

However, RTÉ has responded by further development of RTÉ.ie, which enabled some media firsts in terms of new creative formats across multiscreens. RTÉ also enjoyed success with branded content offering clients bespoke programming across RTÉ Player, RTÉ News Now and RTÉ.ie.

	2017 v 2016 Change €m	Change %
Television Advertising and Sponsorship	(5.1)	-6%
Radio Advertising and Sponsorship	(0.5)	-2%
Digital Advertising and Sponsorship	(0.8)	-12%
Other Revenues including Digital Content	(0.3)	-1%
<b>Year-on-Year Movement</b>	(6.7)	-4%
Commercial Revenue 2016	158.2	
<b>Commercial Revenue 2017</b>	151.5	

### Integrated Trading Team

All trading activities were integrated for the first time in 2017. This market-leading initiative was positively received by our clients and agencies. The trading team was developed with an agency-facing structure and, for the first time, agency customers had a single point of contact for pricing across all RTÉ platforms and services. Other trading initiatives that were introduced included cost-per-thousand (CPT) deals on radio. Radio CPT deals have been a feature of other radio markets for many years, but this was a first-to-market initiative by RTÉ Trading.

### RTÉ Media Sales – Television

RTÉ's television advertising and sponsorship revenue declined by 6% in 2017 as the very difficult market conditions triggered by Brexit impacted revenues. This decline is in line with the overall market, which was affected by a combination of sterling-sourced budget reductions, profit protection and a lack of investment due to continuing uncertainty.

# Operational Review A Year in Review Commercial (continued)

## Programme Sales

RTÉ's Programme Sales division maximises the sale of Irish content in the international market by licensing content to partners, platforms and broadcasters worldwide, across all genres, including drama, comedy, factual, entertainment and formats. Revenue in 2017 was constrained by sterling currency depreciation.

Some of the highlights from 2017 are as follows:

- VOD activity continued to grow and saw deals with Amazon, Netflix, Acorn TV and HULU across the drama, comedy and factual genres.
- Comedy had a very successful year – *Can't Cope*, *Won't Cope* aired on BBC3 and Netflix worldwide, while UKTV Gold, HULU and Amazon continued with further series of *Bridget and Eamon*.
- Lifestyle remained a popular genre, particularly in English-speaking territories for titles such as *Room to Improve*, *Masterchef*, *Home of the Year* and *First Dates*, as well as programmes featuring Rachel Allen and Catherine Fulvio.
- Drama had its successes – *Fair City* found an international audience on Scottish Television, while *Striking Out* (series one and two) was licensed to Sundance TV Global for multiple territories, YLE Finland and Acorn TV USA.

## Facility Sales

RTÉ Studios offers broadcast studios and services in a highly competitive visual production market. In 2017 activity increased in three specific areas:

- Irish independent production companies utilised the one-stop shop that RTÉ offers, from bespoke HD production to a suite of ancillary services.
- Irish broadcasters took advantage of the highly skilled and motivated operational teams.
- International media companies were in studio due to the flexibility, speed of turnaround, volume of output and value.

## RTÉ Guide

The *RTÉ Guide* continued to be Ireland's best-selling magazine. Readership figures stood at 383,000 (TGI 2017) readers per week in 2017, with 205,000 women readers and 178,000 men. Encouragingly, it saw growth in the younger demographics; the magazine now has the most young women of any Irish magazine.

The magazine continued to respond to audience needs in an ever-changing consumer media landscape. Entertainment and lifestyle features were extended and resulted in a broadening of the readership base. The magazine continued to invest in editorial and content by producing its own range of brand extensions and mini-mags, such as gardening magazine *Dig*, as well as *Fashion*, *Home & Interiors* and *Eat*. The magazine partnered with *Operation Transformation* to produce a 32-page special magazine and with *WeightWatchers* to produce regular extended features, which generate revenue and boost retail sales. It also continued to publish *Taste*, a standalone, high-quality food magazine.

The *RTÉ Guide* developed a 360-events strategy, around one-to-one engagement with its audience, via exclusive *RTÉ Guide* movie preview screenings and food events. It has also partnered with book publisher Penguin Random House to create original fiction and a platform to showcase unpublished authors. The *RTÉ Guide* Puffin/Penguin short story competitions attracted thousands of entries.

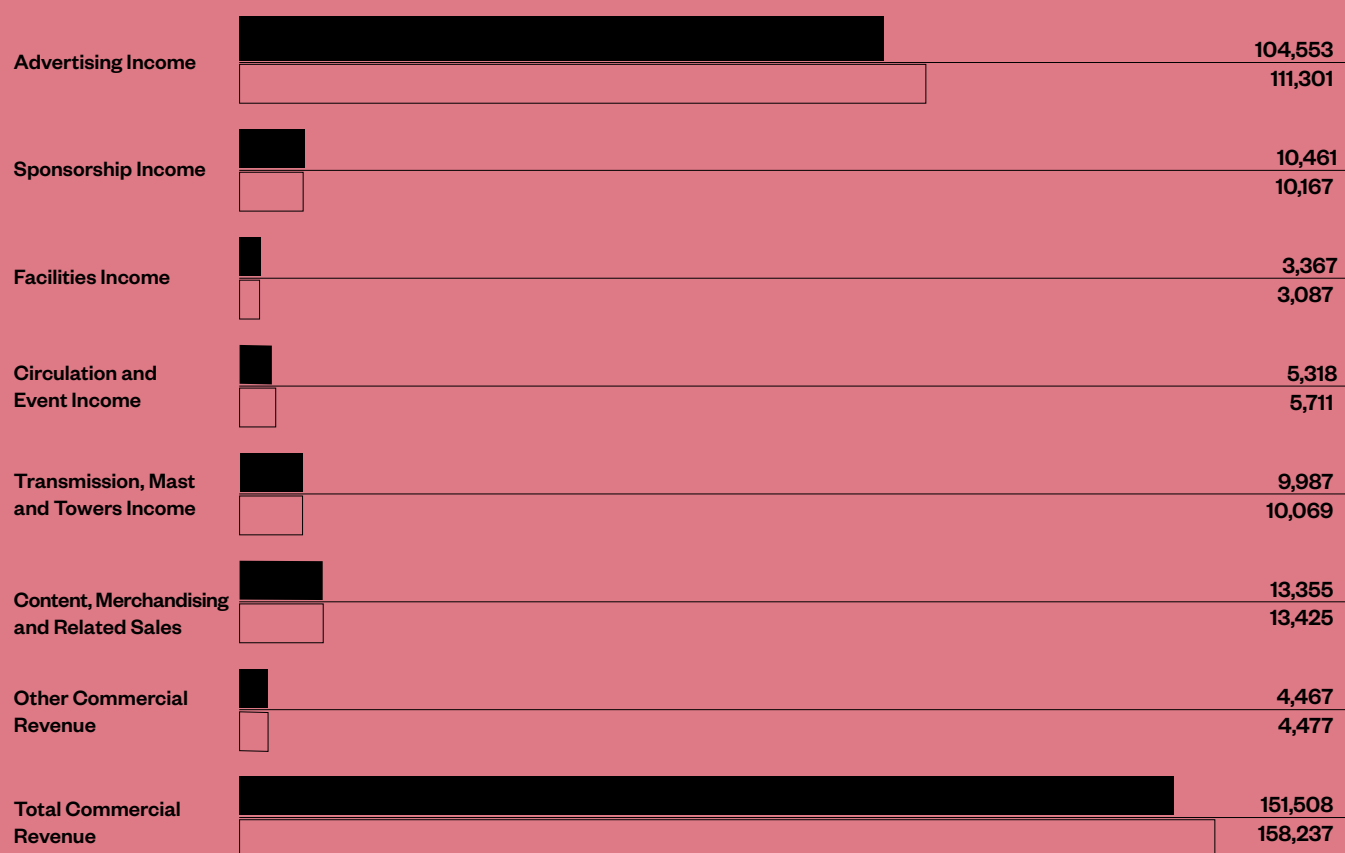
The magazine continued to reach out to its audience by having a presence at national consumer events, such as the National Ploughing Championships (where almost 5,000 readers took away their very own personalised *RTÉ Guide* cover) and Bloom.

The *RTÉ Christmas Guide* bumper issue continued to be an Irish publishing phenomenon, with sales of almost 300,000. This year's cover was once again designed by Ireland's Laureate na nÓg, PJ Lynch. This critically acclaimed and world-renowned artist, in conjunction with the editorial team, created a bespoke Irish seasonal scene.



## COMMERCIAL REVENUE

■ 2017 □ 2016



## Board of RTÉ



### **Moya Doherty, Chair**

**Term of office: 4 November 2014 – 6 November 2022 (Reappointed for a second term on 6 November 2017)**

Moya Doherty's career includes theatre, radio and television production and presentation, both in Ireland and internationally. She fronted a number of arts, features and documentary programmes for RTÉ. As executive producer, Moya produced a number of charity telethons, the Eurovision Song Contest and the televised opening ceremony of the Special Olympics in Ireland in 2003. Moya was the commissioning producer and originator of *Riverdance* for the Eurovision Song Contest in 1994.

She is a director of Tyrone Productions, one of Ireland's leading independent television production companies, whose output includes drama, documentary and entertainment programming. She was a founding director of the radio station Today FM. Moya has sat on a number of arts-related boards, including chair of the Dublin International Theatre Festival (seven years), The Abbey Theatre, The Ark Children's Theatre in Dublin, Business to Arts and Walnut Hill Arts School in Massachusetts.

Moya has received numerous awards and accolades over the years, including the Veuve Clicquot Business Woman of the Year and the Ernst & Young Entrepreneur of the Year. She has also received honorary doctorates from the University of Ulster and the National University of Ireland in recognition of her ongoing commitment to the world of the arts in Ireland.



### **Dee Forbes, Director-General**

**Ex officio member following appointment as Director-General on 11 July 2016.**

Dee Forbes was appointed Director-General of RTÉ with effect from 11 July 2016. Prior to taking up her role at RTÉ, Dee was based in London for more than 27 years, working for broadcasters and advertising agency Young and Rubicam.

Most recently she was President and Managing Director of Discovery Networks Northern Europe. Dee joined Discovery in 2010 as Head of the UK/Ireland operation and progressively grew her responsibilities to eventually lead the Northern Europe region, which included 18 markets and territories and 27 channels, both free-to-air and subscription, which broadcast to more than 276 million households across Northern Europe each month.

Before joining Discovery, Dee led Turner Broadcasting's business in the UK and Ireland, which consisted of seven entertainment channels, including Cartoon Network, Boomerang and TCM. She spent several years working at Turner in a variety of commercial roles, including General Manager for the Nordic/Central and Eastern Europe and EMEA regions, and Head of Advertising Sales for Europe. Dee is a former non-executive director of the board of *The Irish Times* and currently sits on the board of Munster Rugby. A native of Drimoleague in west Cork, Dee is a graduate of UCD where she studied history and politics.



### **Frank Hannigan**

**Term of office: 4 November 2014 – 3 November 2019**

Frank Hannigan is a partner at the consultancy firm StrategyCrowd. He has worked in traditional media and technology companies for over 30 years. His career included leadership roles at An Post, Sunshine Radio, *Hot Press*, *Sunday Times*, Examiner Newspapers, Inhance Technologies and Digiserve.

More recently he focused on a career as a business advisor. His clients include EBRD, Enterprise Ireland, the World Bank, the European Commission and the Revenue Commissioners among others. Frank is a certified management consultant and a member of the Marketing Institute of Ireland.

He has served as a non-executive director and chairperson on a broad range of boards.

Frank is a visiting lecturer in Irish universities and is focused on researching strategy, innovation and competitiveness. He is a business graduate of Trinity College, University of Dublin.



### **Deborah Kelleher**

**Term of office: 4 November 2014 – 6 November 2022 (Reappointed for a second term on 6 November 2017)**

Appointed Director of the RIAM in October 2010, Deborah Kelleher has played an integral role in the strategic development of the institution's international profile, outreach and academic courses. Milestone achievements include the introduction of specialised undergraduate degrees in composition and vocal studies; RIAM Podium, the Centre for Performing Ensembles, which trains musicians for orchestras and large ensembles; and the founding of Ireland's first Historical Performance Department with foundation partners The Irish Baroque Orchestra.

In 2013, the RIAM became an associate college of Trinity College, the University of Dublin, and Deborah led this significant transition. Since her appointment, the numbers of students entering third-level programmes has grown threefold.

Deborah has also overseen a significant increase in professional development courses for the 7,000 private music teachers throughout the country who enter students for RIAM's local centre examination system. This initiative is part of a wider strategy to make the RIAM a resource for musicians all over Ireland, from amateur to professional level, through online and distance learning, performance opportunities and more. In 2016 Deborah was elected Vice-President of the European Association of Conservatoires, an umbrella group for over 300 conservatoires in Europe and beyond.



### **Aengus Mac Grianna**

**Term of office: 4 November 2014 – 3 November 2019**

One of RTÉ's most popular newscasters, Aengus Mac Grianna joined RTÉ in the mid-1980s, where he worked as a runner in the newsroom. He later worked as a reporter on almost every desk in the newsroom, including Nuacht RTÉ, before being appointed newscaster in 1999.

A regular face on television bulletins on *Six One* and the *Nine O'Clock News* programmes, Aengus is also a familiar voice on RTÉ Radio 1 and RTÉ lyric fm.

In 2009, Aengus became Father of the NUJ chapel in the newsroom and was involved in negotiations on revised pay scales and structures in the newsroom. He also represented the NUJ at Trade Union Group (TUG) level for almost two years. In 2014, staff elected Aengus to the RTÉ Board.



### **Dr P.J. Mathews**

**Term of office: 4 November 2014 – 3 November 2019**

Dr P.J. Mathews is an associate professor in the School of English, Drama and Film at UCD and specialises in Irish literature and culture. He is the author of *Revival* (published by Field Day/Cork UP in 2003), a study of the Irish cultural revival period; editor of the *Cambridge Companion to J.M. Synge* (2009); and co-editor of *A Handbook of the Irish Revival* (published by the Abbey Theatre in 2015).

P.J. is the founder and director of academic podcasting for UCDscholarcast ([www.ucd.ie/scholarcast](http://www.ucd.ie/scholarcast)).

He was director of the Parnell Summer School from 2002 to 2005 and was appointed Naughton Fellow and Visiting Associate Professor of English at the University of Notre Dame for 2007-8. He is an external member of the Irish Studies group at Université Sorbonne Nouvelle-Paris 3 and co-convenor of the Irish Studies Doctoral Research Network. P.J. is the current director of the Yeats Winter School.



### **Eoin McVey**

**Term of Office: 20 December 2016 – 16 February 2020**

Eoin McVey is a journalist. He trained in accountancy with the Dublin practice of Coopers & Lybrand (now PwC) and then joined *The Irish Times* as a financial journalist.

Further appointments included Business Editor, Assistant Editor and Managing Editor. He served as a Director of The Irish Times Ltd and of Irish Times Publications Ltd. He was a founding director of the Press Council of Ireland and served for six years on its board.

Eoin is a member of the Board of Management of the RDS and of its governing council. He is also on the Board of the National Library of Ireland. He chairs the Audit & Risk committees in both organisations.



### **Shane Naughton**

**Term of office: 17 February 2015 – 16 February 2020**

Shane Naughton is Chief Financial Officer of the Economist Group, a leading source of independent analysis on international business and world affairs. It includes *The Economist* newspaper among its businesses.

Previously, he was global Chief Financial Officer of EMI Music, the international music business containing the Capitol, Virgin, Blue Note and Parlophone labels, and with artists ranging from the Beatles and the Beach Boys to Coldplay and Katy Perry.

Before that, as CEO of UBM plc's Connect division, Shane managed a portfolio of business magazines. He gained extensive television and broadcasting experience during his time with Sky. He also worked at Coca-Cola and Dell Computers in a variety of finance roles.

He qualified as a chartered accountant with KPMG and holds a law degree from UCD.

## Board of RTÉ



### Anne O'Leary

**Term of office: 4 November 2014 – 3 November 2019**

Anne O'Leary is a civil engineer and an experienced business executive with a proven track record in helping companies develop new routes to market and exploit technology to optimise potential. Anne has a very good understanding of corporate governance and compliance. As a member of the Institute of Directors, she has an updated understanding of the requirements of both private and State boards.

She is a successful entrepreneur, having built and sold a world-class technology business, Cadco, in 2009. She has extensive experience with strategic partnerships, sales management, marketing, product development and internal-external relationship management.

Anne has a broad range of experience across a number of different business sectors. She has a demonstrated ability in diagnostics, strategic planning, facilitation of teams and individuals, and sustainable revenue growth.



### Fionnuala Sheehan

**Term of office: 17 February 2015 – 16 February 2020**

Fionnuala Sheehan's career spans the civil service (Department of Finance and Commission on Taxation), the public service (Funding Manager for the newly created Telecom Éireann and its capital investment company, Irish Telecommunications Investments Limited), the commercial sector (Group Treasurer of GPA Limited and its joint venture companies), higher education (Deputy Registrar, University of Limerick) and the not-for-profit sector (Chief Executive of MEAS/drinkaware and of FirstLight).

During her career, Fionnuala has led many innovation and change-management initiatives.

A native of Limerick city, she graduated from NUIG with double first-class honours. She has an MA, a diploma in Applied Finance, and a certificate and diploma in Company Direction (awarded by the Institute of Directors). She has served as a Governor of the University of Limerick and a Director of Daghda Dance Company and currently serves on the Board of Extern Ireland.



### Margaret E. Ward

**Term of office: 17 February 2015 – 16 February 2020**

An entrepreneur who worked as a financial journalist for 25 years, Margaret E. Ward is CEO of Clear Ink, a global brand communications agency based in Dublin. She worked as a business columnist and investigative journalist with *The Irish Times*. She was *The Sunday Times'* first Money Editor in Ireland, presented business programmes on Newstalk and was a regular contributor to RTÉ radio.

She has won the Law Society of Ireland's Justice Media award for social and campaigning journalism. She was also awarded an ICS science journalism award for an article in *The Irish Times* on antibiotic-resistant superbugs.

In 2010, she founded Women on Air, a not-for-profit networking group that provides expert women with the skills and confidence they need to go on the airwaves. She has an MA in Journalism from DCU.

Margaret was born in New York City to Irish parents. She moved to Dublin in 1995.

## Board Attendance

There were 10 meetings of the Board of RTÉ in 2017. The attendance of board members is outlined below:

	Meetings Eligible to Attend	Meetings Attended
<b>The Board at 31 December 2017</b>		
Moya Doherty	10	9
Dee Forbes	10	10
Frank Hannigan	10	7
Deborah Kelleher	10	8
Aengus Mac Grianna	10	10
Dr P.J. Mathews	10	10
Eoin McVey	10	10
Shane Naughton	10	9
Anne O'Leary	10	9
Fionnuala Sheehan	10	10
Margaret E. Ward	10	9
<b>Board term of office ended during 2017</b>		
Fergus Armstrong	9	9

During the year, two meetings took place outside the normal calendar of RTÉ Board meetings, one arranged at short notice. Refer to the Corporate Governance report on page 100 for further details of the changes in the composition of the Board during 2017.

## Board Committees

### Audit and Risk Committee

There were nine meetings during 2017, attended as follows:

Committee Members	Meetings Eligible to Attend	Meetings Attended	Appointed to the Committee
Anne O'Leary (Chair)	9	9	27 November 2014
Moya Doherty	9	5	21 April 2016
Frank Hannigan	9	5	27 November 2014
Eoin McVey	9	8	26 January 2017
Shane Naughton	9	8	23 July 2015

### Programme Committee

There were three meetings of the Programme Committee during 2017, with full attendance at each meeting:

Committee Members	Meetings Eligible to Attend	Meetings Attended	Appointed to the Committee
Dr P.J. Mathews (Chair)	3	3	27 November 2014
Deborah Kelleher	3	3	27 November 2014
Aengus Mac Grianna	3	3	19 February 2015
Margaret E. Ward	3	3	19 February 2015

### Remuneration and Management Development Committee

There were three meetings during 2017:

Committee Members	Meetings Eligible to Attend	Meetings Attended	Appointed to the Committee
Moya Doherty (Chair)	3	3	22 January 2015
Shane Naughton	3	2	4 November 2015
Anne O'Leary	3	3	22 January 2015
Board term of office ended during 2017:			
Fergus Armstrong	2	2	10 March 2009

### Fair Trading Committee

There were five meetings during 2017, attended as follows:

Committee Members	Meetings Eligible to Attend	Meetings Attended	Appointed to the Committee
Fionnuala Sheehan (Chair)	5	5	24 September 2015
Deborah Kelleher	5	5	24 September 2015
Board term of office ended during 2017:			
Fergus Armstrong	4	4	24 September 2015

### Commercial and Technology Committee

One meeting of the Commercial and Technology Committee took place in 2017, with full attendance at the meeting. The members of the committee are Frank Hannigan (Chair), Aengus Mac Grianna and Fionnuala Sheehan.

### Strategy Committee (temporary committee during 2017)

The Board appointed four members to the committee on 20 April 2017: P.J. Mathews (Chair), Fergus Armstrong, Fionnuala Sheehan and Margaret E. Ward. There were nine formal meetings of the committee throughout the strategy development process. The committee completed its work in October 2017. As outlined above, Fergus Armstrong's Board term of office ended during 2017.

### Attendance at Subsidiary Board Meetings

The attendance disclosures above refer to attendance by Board members at meetings of the RTÉ Board and its five sub-committees. In addition, Moya Doherty, Eoin McVey and Fionnuala Sheehan also serve on the Boards of subsidiary companies, with additional scheduled attendance at subsidiary Board meetings.

## Executive



### **Dee Forbes, Director-General**

See biographical note on page 94.



### **Frances Abeton**

#### **Director, Operations and Production Services**

Frances Abeton joined RTÉ as Director of Operations and Production Service in September 2016. She holds a MBA from Smurfit Business School, Dublin. Frances was previously Vice-President of clinical trials technology firm Firecrest, which is owned by pharmaceutical company Icon Plc. She is a proven operational leader with a background in pharma, technology, telecoms and finance.



### **Eimear Cusack**

#### **Director, Human Resources**

Eimear Cusack was appointed Director of Human Resources in 2017. With a career spanning legal, banking, professional services and ICT, Eimear was appointed Head of Human Resources for Ericsson UK and Ireland in 2013, where she shaped and implemented extensive change programmes. With a successful background in innovative people strategy, Eimear's focus has been on employee engagement, talent acquisition, talent management, and learning and development. Before joining RTÉ, she delivered diverse employee transition, transformation and integration strategies in the areas of managed services and acquisitions.



### **Brian Dalton**

#### **Director, Corporate Affairs**

Brian Dalton joined RTÉ as Managing Director of Corporate Development in March 2009. He holds a Master's degree in Management from Trinity College Dublin. Prior to joining RTÉ, Brian held senior director positions in both operations and HR functions. He has worked primarily in multinational companies such as GE, Intel and Becton Dickinson and, more recently, in financial services, primarily relating to change-management in the context of mergers and acquisitions. Brian heads up RTÉ's Corporate Affairs activity following the restructure of the organisation in 2017.

### **Jim Jennings**

#### **Director, Content**

Jim Jennings was appointed Managing Director of RTÉ Radio in November 2013. He also oversees the RTÉ Orchestras, Quartet and Choirs. Previously, Jim was Head of RTÉ Radio 1. He joined RTÉ Radio 1 in 1985, working first in features and current affairs on programmes such as *Today at Five* and *The Pat Kenny Show*. In 1989, he moved to RTÉ television, where he held a number of positions, including Executive Producer of *The Late Late Show*, *Election 2012* and the opening ceremony of the Special Olympics. He also worked as editor of *Léargas*. Jim became Director of Content as part of the restructure of the organisation in 2017.





### **Adrian Lynch**

#### **Director, Audiences, Channels and Marketing**

Adrian Lynch is the Director of Audience, Channels and Marketing, a role he took up in September 2017. Adrian joined RTÉ in 2014 as Channel Controller for RTÉ One and RTÉ2 and, in that capacity, launched ambitious new schedules for the services. As Channel Controller of RTÉ One and RTÉ2, Adrian has delivered a range of landmark public-service programming across all genres, with marked successes around *Dancing with the Stars*, RTÉ 1916 and award-winning documentaries such as *My Homeless Family*.

Prior to joining RTÉ, Adrian was the Managing Director and owner of one of Ireland's most successful independent television production companies, Animo Television. During his time there he was responsible for some of RTÉ One's most high-profile shows, including award-winning blue-chip documentary series such as *Freefall – The Night the Banks Failed*.



### **Breda O'Keeffe**

#### **Chief Financial Officer**

Breda O'Keeffe was appointed Chief Financial Officer in 2013. A native of Kilkenny, she studied at Waterford Institute of Technology and is a fellow of the Institute of Chartered Accountants in Ireland. Before joining RTÉ, she held senior finance positions in GPA, GE Capital Aviation Services, JetPhone, GE Insurance Services and Halifax Bank of Scotland. She was instrumental in setting up GE Insurance Services and Halifax Insurance Ireland in Shannon.

Breda joined RTÉ in 2002. In 2003, she was appointed Finance Director of RTÉ Television and was also a member of the Television Programme Strategy Group. During 2012, Breda was appointed a director of RTÉ Commercial Enterprises DAC and in 2013 she was appointed as a director of RTÉ Transmission Network DAC.



### **Richard Waghorn**

#### **Director, Transformation and Technology**

Richard Waghorn joined RTÉ as Chief Technology Officer in February 2012. During 2013, he was appointed as a director of RTÉ Transmission Network DAC. Richard holds an MBA from Henley Management College and is a graduate of the University of Leeds.

Between 2009 and 2011, Richard was Chief Technology Officer at the South African Broadcasting Corporation. Before that, he was Controller of Distribution at the BBC for four years, leading the implementation of digital switchover. At the BBC, he worked in a number of areas including strategy, new media, distribution and radio production. Richard was a board director of Freesat and project manager for the 2002 launch of Freeview in the UK.

Richard took over RTÉ's technology and transformation activities in 2017 as part of the restructure of the organisation.

### **Jon Williams**

#### **Director, RTÉ News & Current Affairs**

Jon Williams joined RTÉ in January 2017. He was previously Managing Editor, International News, at ABC News in New York, where he shaped the organisation's international news coverage and strategy. He led ABC's reporting of the war in Ukraine, the European refugee crisis and the coverage of ISIS terrorist attacks in Europe, as well as driving innovation, including the use of 360 and virtual reality video.

From 2006-2013, Jon was the BBC's World News Editor, managing a staff of 200 people in 30 countries. He oversaw reporting of the Israel/Lebanon war in 2006 which won an International Emmy. He received a second Emmy in 2013 for the BBC's coverage of the civil war in Syria. Jon served as UK News Editor during the 7/7 terror attacks on the London transport network and as Deputy Editor of the BBC's *Six O'Clock News* on 9/11. In 2017, he earned his third Emmy for ABC's coverage of the Syria refugee crisis.



# Corporate Governance

## For the year ended 31 December 2017

Members of the Board of RTÉ are committed to maintaining the highest standards of corporate governance and business conduct. The *Broadcasting Act 2009* requires members to have experience of, or capacity in, matters relevant to the oversight of a public-service broadcaster (Section 82). Each member of the Board must also perform his or her functions in such a manner as to ensure that the activities of RTÉ, in pursuance of its statutory objects, are performed efficiently and effectively (Section 87).

RTÉ complies with the *Code of Practice for the Governance of State Bodies* ("Code of Practice"). The Minister for Public Expenditure and Reform published an updated version of the Code of Practice on 17 August 2016, applicable for financial reporting periods beginning on or after 1 September 2016.

The Code of Practice sets out principles of corporate governance which Boards of State Bodies are required to observe. This includes governance practices and procedures in a broad range of areas such as the role of the Board; codes of conduct and disclosure of interests; business and financial reporting; risk management and internal control; relations with the Oireachtas and parent department; and a range of other specific control procedures. Further information on these areas is set out in the remainder of this section of the Annual Report.

The Chair of the Board is required to confirm annually to the Minister for Communications, Climate Action and Environment that the governance practices and procedures in RTÉ are in compliance with the Code of Practice.

RTÉ also complies with the corporate governance and other obligations imposed by the *Ethics in Public Office Act, 1995*, and the *Standards in Public Office Act, 2001*.

### The Board of RTÉ

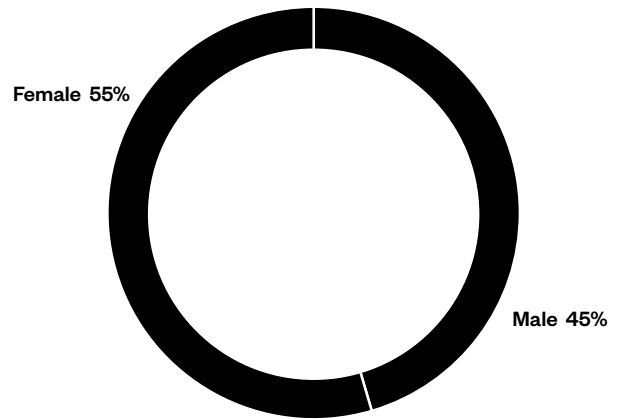
#### Composition

Members of the Board of RTÉ are appointed under Section 81 of the *Broadcasting Act 2009* for a period not exceeding five years. The Act provides for a 12-member Board, to be appointed by the Government as follows:

- Six members are appointed on the nomination of the Minister for Communications, Climate Action and Environment;
- The Oireachtas Joint Committee on Communications, Climate Action and Environment proposes four members to the Minister;
- The Director-General of RTÉ is an ex officio member; and
- One member of RTÉ staff is appointed following election.

The Government appoints one of the members to act as Chair. The *Broadcasting Act 2009* also provides for gender balance in the composition of the Board by requiring that its members include no fewer than five men and five women. At 31 December 2017, there are six women and five men on the Board of RTÉ.

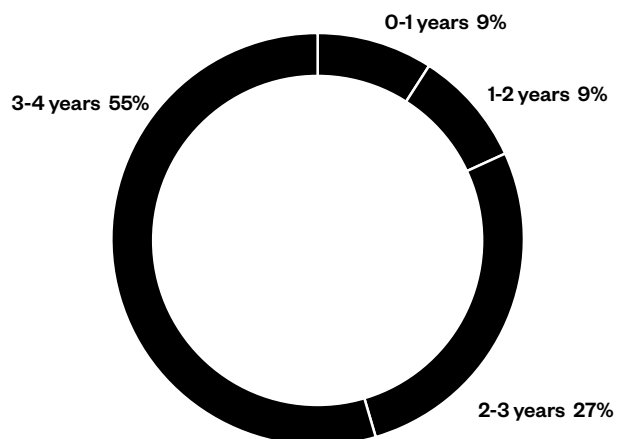
#### Board Diversity by Gender



Fergus Armstrong ceased to be a member of the Board on 3 November 2017, following the end of his term of office. There were no other changes to the membership of the Board of RTÉ during the year and there was one Board vacancy at 31 December 2017.

Biographical details of the 11 members of the Board in office at 31 December 2017, including details of their terms of office, are set out on pages 94 to 96.

#### Board Diversity by Tenure



#### Role

The duties of Board members are set out in Section 87 of the *Broadcasting Act 2009*. In summary, Board members guide the corporate direction and strategy of RTÉ and represent the interests of viewers and listeners, ensuring that RTÉ fulfils its statutory responsibilities in an efficient and effective manner. Each member brings independent judgment to bear by constructively challenging the Executive and by helping to develop RTÉ's strategic objectives.



Board members have varied backgrounds, skills and experience in a broad range of business areas relevant to the oversight of a public-service broadcaster. The criteria for Board membership are set out in Section 82 of the *Broadcasting Act 2009*. The criteria include matters such as: media affairs, public-service broadcasting, broadcast content production, digital media technologies, business or commercial affairs, legal or regulatory affairs and matters pertaining to the development of the Irish language.

There is a clear division of responsibilities between the position of Chair of the Board, who is non-executive, and the Director-General.

The Director-General, in conjunction with executive management, takes responsibility for RTÉ's day-to-day operations. The Chair's responsibilities include leading the Board, determining its agenda, ensuring its effectiveness and facilitating full participation by each Board member.

The Chair of the Board and executive management meet frequently with the Department of Communications, Climate Action and Environment to discuss RTÉ's operating and financial performance.

Members of the Board recently completed a self-assessment questionnaire process, evaluating the operation of the Board.

### **Board Procedures**

On appointment, all Board members are provided with briefing documents on RTÉ and its operations. The Board meets in accordance with a regular schedule of meetings and may also meet on other occasions as deemed necessary. All Board members have full and timely access to the information necessary to enable them to discharge their duties. Full Board papers are sent to each Board member in sufficient time before Board meetings and any further papers or information are readily available to all Board members on request.

The Board papers sent to Board members prior to each Board meeting include the minutes of committee meetings that have been held since the previous Board meeting or, if minutes are not available at the time the papers are circulated, a verbal update is provided at the Board meeting.

Board members have access to advice and the services of the RTÉ Group Secretary, who is responsible for ensuring the Board procedures are followed and that applicable rules and regulations are complied with. RTÉ's professional advisors are available for consultation with the Board as required. Individual Board members may take independent professional advice and training, if necessary, at the expense of RTÉ. The Board has an insurance policy in place which indemnifies Board members in the event of legal actions taken against them in the course of their duties as Board members.

There is a formal schedule of matters reserved for consideration and decision by the Board. The schedule covers key areas of RTÉ's business:

- Approval of strategic plans, the annual budget and the annual financial statements;
- Approval of major investments and capital projects;
- Significant acquisitions, disposals or retirement of assets;
- Reviewing financial and operational performance;
- Treasury policy and risk-management policies;
- Delegated authority levels, including the approval of major contracts; and
- Reviewing the system of internal controls.

Certain other matters are delegated to Board committees, as set out in further detail below.

The Chair of each committee is available to report and answer any questions on the committee's proceedings at Board meetings, as required.

### **Board Committees**

At 31 December 2017, the Board has established five permanent sub-committees to assist in the execution of its responsibilities. These are the Audit and Risk Committee, the Remuneration and Management Development Committee, the Programme Committee, the Fair Trading Committee and the Commercial and Technology Committee.

The membership of each committee, together with details of attendance at meetings held in 2017, is set out on page 97. The RTÉ Group Secretary acts as Secretary of each Committee.

Temporary committees may be formed from time to time to deal with specific matters under defined terms of reference. During 2017 the Board established a temporary Strategy Committee to oversee the development of the RTÉ strategy for the period 2018-2022. See below for further details regarding the committee.

### **Audit and Risk Committee**

The Audit and Risk Committee comprises four Board members, all of whom are considered independent. Shane Naughton and Eoin McVey are the committee members with recent financial experience. The committee's terms of reference are available on the RTÉ website.

The Chief Financial Officer and the Head of Internal Audit attend meetings of the committee, while the external auditors attend as required. The terms of reference of the committee provide that other Board members, executives and others may also be invited to attend all or part of any meeting(s). Both the Head of Internal Audit and the external auditors have full and unrestricted direct access to the committee Chair at all times. In addition, the Audit and Risk Committee has a discussion with the external and internal auditors at least once a year, without executive management present, to ensure there are no outstanding issues of concern.

During 2017, the Audit and Risk Committee reviewed the following:

- Quarterly risk reports and considered movements in the key corporate risks during the year;
- Risk briefings from the Executive Sponsors of a selection of the key corporate risks;

# Corporate Governance

## For the year ended 31 December 2017 (continued)

- The Internal Audit Plan for 2017;
- Internal audit reports and progress in implementing actions identified in the reports. The Head of Internal Audit presents a report at each Audit and Risk Committee meeting, summarising work completed since the previous meeting and the findings, together with the areas of focus in the forthcoming period;
- The external audit plan, the scope of the audit, as set out in the Engagement Letter, and the effectiveness of the audit process;
- The group's annual financial statements, prior to formal submission to the Board. The committee's review focused, in particular, on accounting policies, judgemental areas, the clarity of disclosures and compliance with applicable accounting and legal standards;
- Report from the external auditor following its audit of the financial statements and discussion of matters arising;
- Corporate governance compliance, to include reviewing compliance with the *Code of Practice for the Governance of State Bodies*;
- The Independent Productions annual report, prior to formal submission to the Board;
- The effectiveness of the system of internal control and reporting the results to the Board;
- The RTÉ Group's annual budget, prior to formal submission to the Board;
- Regular updates on the financial performance of the Group, including pensions and the risk management of movements in foreign exchange rates;
- RTÉ's banking arrangements and facilities;
- RTÉ's new strategy for 2018-2022 and matters relating to organisation restructuring;
- Plans for the committee's self-assessment (formally completed in early 2018); and
- The updated terms of reference for the committee.

During 2017, the Audit and Risk Committee also received briefings on developments in the areas of corporate governance, risk management and accounting standards.

The Audit and Risk Committee has put in place safeguards to ensure that the independence and objectivity of the external audit function are not compromised. These safeguards are reviewed at regular intervals. In addition, the external auditors, KPMG, have confirmed to the Audit and Risk Committee that they continue to operate procedures to safeguard against the possibility that their objectivity and independence could be compromised.

The level of non-audit-related services provided by the external auditors, and the associated fees, is considered annually by the Audit and Risk Committee in the context of the external auditors' independence as part of the committee's review of the adequacy and objectivity of the external audit process. Details of the nature of non-audit services during the year and the related fees are set out in note 5 to the financial statements.

### Programme Committee

The Programme Committee comprises four Board members, three of whom are considered independent. The committee considers key developments and plans in respect of RTÉ Television and RTÉ Radio

programmes and schedules. At each of its meetings, the committee meets with the executives responsible for content / output and their senior management colleagues and with in-house and external independent programme-makers to review programme output and upcoming strategy and plans.

In the area of editorial risk, the Programme Committee and the Audit and Risk Committee align their respective programmes of work to ensure effective oversight and management of editorial risk. Editorial risk is considered by the Board in the context of risk generally, as explained in further detail in the internal control and risk-management section below.

### Remuneration and Management Development Committee

The Remuneration and Management Development Committee comprises four Board members, all of whom are considered independent. The committee's terms of reference are available on the RTÉ website.

The committee's role and responsibilities include:

- Considering the appointment, targets, performance and remuneration of the Director-General and making recommendations to the Board prior to seeking Government approval thereon. Such consideration takes place in the context of relevant Government policy. (The committee's terms of reference also provide for consideration, as deemed necessary, of the role of the Director-General's deputy or any person temporarily appointed to the position of Director-General in accordance with Section 89 (8) of the *Broadcasting Act 2009*);
- Consulting with the Director-General in relation to the remuneration package of executive management, having regard to Government policy in relation to remuneration of senior management of commercial State bodies;
- Consulting with the Director-General in relation to 'top talent' contractor contracts; and
- Considering the remuneration of any non-Government appointed members of Boards of RTÉ subsidiary companies.

The committee is assisted, as necessary, by a nominee from the Department of Communications, Climate Action and Environment. The remuneration of Board members is determined by Government policy and, as such, is not a specific consideration of this committee.

### Fair Trading Committee

The Fair Trading Committee is responsible for the oversight of RTÉ's Fair Trading Policy. At 31 December 2017 the Committee comprises two Board members. Up until the end of the Board term of one former committee member in November 2017, the committee comprised three Board members. All members of the committee are considered independent. The committee's functions are to:

- Review reports from the Fair Trading Officer;
- Oversee and, where necessary, review internal practices and procedures including complaints procedure; and
- Commission periodic reviews of RTÉ fair trading practice.

RTÉ has a Fair Trading Policy and Procedures and a Fair Trading Complaints Procedure, both available on the RTÉ.ie website. During

the year the Fair Trading Committee was responsible for oversight of the policy. In compliance with the policy, the committee has approved a report on the Fair Trading Policy and its implementation, which is on page 182.

### Commercial and Technology Committee

The Commercial and Technology Committee comprises three Board members, two of whom are considered independent. Its functions are to:

- Review and support the performance of the Commercial division and submit recommendations to the Board, focusing particularly on existing and new (non-traditional) revenue lines and platforms; and
- Review and support the Director of Transformation and Technology and his team and submit recommendations to the Board, focusing particularly on existing use of technologies and potential new technologies.

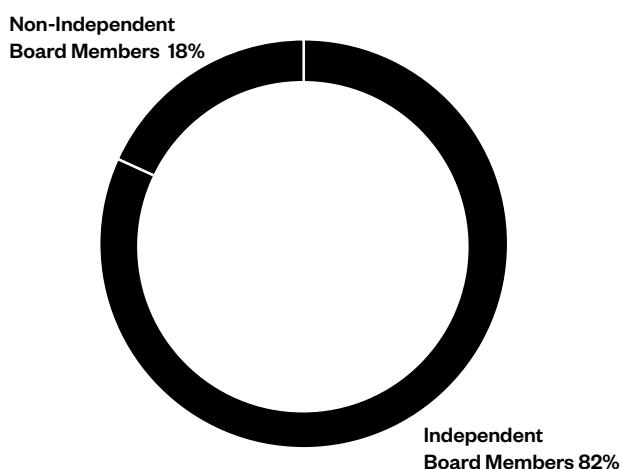
### Strategy Committee

In April 2017 the Board established a temporary Strategy Committee comprising four Board members, all of whom are considered independent. The purpose of the committee was to oversee the development of RTÉ's new strategy for 2018-2022. The committee engaged extensively with the RTÉ Executive and with other Board members throughout the strategy development process. The committee completed its work in October 2017, when RTÉ submitted the strategy to the Broadcasting Authority of Ireland.

### Independence of Members of the Board

Each Board member brings independent judgement, challenge and rigour to the Board's deliberations. The Board has completed an evaluation of the independence of its members using the independence criteria as set out in the UK Corporate Governance Code, the Corporate Governance code which is applicable to companies listed on the Irish Stock Exchange.

### Board Diversity by Independence



Having regard for the integrity, strength of character and objectivity of Board members, all members are considered independent under those criteria. However, Dee Forbes and Aengus Mac Grianna are RTÉ employees and therefore cannot, for that reason alone, be considered as independent members of the Board at 31 December 2017 as per the criteria of the UK Corporate Governance Code.

As disclosed in further detail in note 26 (Related Party Transactions), business transactions took place between RTÉ and certain Board members, or their close family members, in the normal course of business, during the year ended 31 December 2017. Notwithstanding these transactions, the Board has determined that these Board members remain independent in character and judgement. In reaching that conclusion, the Board has considered the following:

In the case of one Board member, RTÉ commissioned programmes from a production company owned/controlled by the Board member. In these cases, the Board took account of the existence of formal and transparent Commissioning Procedures and Guidelines, which are published on the RTÉ website and are applied consistently for all commissions. In addition, all decisions on individual commissions are the responsibility of executive management, assessed using clear evaluation criteria, with contracts awarded in line with normal commercial terms and conditions in all cases. Decisions on individual programme commissions are not a matter for consideration and decision by the Board. To demonstrate transparency, an independent review of specific commissioning procedures is also carried out on an annual basis and an Independent Productions annual report is submitted to the Minister for Communications, Climate Action and Environment in accordance with Section 116 (9) of the *Broadcasting Act 2009*.

The Board also considered the matter of a Board member, or their close family members, being engaged by RTÉ under an artist contract in respect of a programme contribution. The decision to engage a programme contributor or presenter is undertaken by editorial line management having due regard for the requirements of the programme and the skills and experience of the individual being engaged. The Board also noted that contracts are entered into on normal commercial terms and in line with RTÉ's policy for engaging personnel. There were no applicable engagements in 2017.

### Internal Control and Risk Management

The Board has overall responsibility for the Group's systems of internal control and for reviewing their effectiveness. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and provide reasonable but not absolute assurance against material misstatement or loss.

The Board confirms that an ongoing process for identifying, evaluating and managing RTÉ's significant risks has operated throughout the year and up to the date of approval of the financial statements. This process is in accordance with the Financial Reporting Council's *Guidance on Risk Management, Internal Control and Related Financial and Business Reporting* (updated Turnbull guidance) and is overseen by the Audit and Risk Committee.

# Corporate Governance

## For the year ended 31 December 2017 (continued)

The Audit and Risk Committee considers risk management to be an integral part of its agenda and is committed to successfully managing RTÉ's exposure to risk and minimising its impact on the achievement of business objectives.

### Risk-Management Framework

RTÉ has established a risk-management framework which consists of structures; the assignment of risk responsibilities; procedures and systems for risk identification, assessment and reporting; and monitoring the effectiveness of mitigation actions. The risk-management framework is overseen by the Director of Corporate Affairs.

Throughout the year, RTÉ operated a risk-management process designed to identify the key risks facing the business and to report to the Audit and Risk Committee and the Board on how these risks are being managed. The Board focuses primarily on those risks capable of undermining the RTÉ strategy, or risks which could adversely affect the long-term viability or reputation of RTÉ. As explained in further detail below, the risk-management process comprises two phases – a strategic risk-assessment undertaken by the Executive and a local risk assessment exercise carried out by line management in the divisions.

The members of the RTÉ Executive determine the risks impacting the successful delivery of the RTÉ strategy. Those risks designated as key risks are assigned an Executive Sponsor and Risk Owner and are subject to ongoing review and monitoring during the year. The Risk Owners track the drivers of each risk and document the controls

in place to mitigate the risk. In addition, risk indicators are identified to assist in monitoring changes in the likelihood of the occurrence of a risk. This exercise is summarised in a consolidated strategic risks document. This work is overseen and reviewed by a risk function and is linked to the broader strategic planning process. The strategic risks document is presented to the Audit and Risk Committee and to the Board as part of its review of the effectiveness of the system of internal control. During the year, the Audit and Risk Committee also receives quarterly updates on the status of risks, changes in risk indicators and updates on mitigating actions.

Aligned with the strategic risk-assessment process explained above, the business divisions also consider risk and have registers that identify their key risks, evaluate the probability of those risks occurring and assess the likely impact should the risks materialise. The actions taken to manage each risk to a desired level are recorded on the register.

### Principal Risks and Uncertainties

As part of the risk identification process explained above, the principal areas of risk that could materially adversely affect the Group's business, financial condition or results have been identified. A summary of these risks and the mitigation actions are set out below. This is not intended to be an exhaustive analysis of all the risks that may arise in the ordinary course of business. These key risks are assessed on a continuous basis and management report significant changes in the risks identified, or the materiality of risks, to the Audit and Risk Committee.

### Description of Risk

### Mitigation Actions

#### Compliance

##### Editorial

Damage to RTÉ's reputation arising from a serious failure to comply with editorial standards and obligations to fairness, impartiality and privacy could affect audience trust levels, damage our brand or lead to legal exposure.

- Unified set of three guideline documents: RTÉ Journalism Guidelines, RTÉ Programme Content Standards Guidelines and RTÉ's Social Media Guidelines
- Defined editorial management chain and editorial structures
- Training for staff
- Access to legal advice as necessary
- Statutory Complaints Process

##### Reputation & Compliance

Damage to RTÉ's reputation arising from non-compliance with the broad range of legal and regulatory requirements, e.g. GDPR; unethical behaviour, operational failures or perceived management failures, including crisis management.

- Updated guidelines and policies
- Regular staff communication and training
- Defined corporate governance structures and operational controls
- Escalation process and crisis management planning
- Corporate clearance committees for commercial activity
- Effective audience engagement strategy
- Defined legal management chain

## Description of Risk

## Mitigation Actions

### Finance

#### Financial Resources

Risks associated with the strategic allocation and management of financial resources, in order to optimise investment in indigenous content/new improved services and capital (the business); control and reduce operating costs and deliver ongoing value for money across all our services.

This also includes the ongoing management of cash reserves and bank funding to provide adequate financing for ongoing operational cash needs, while also investing in the business.

- Annual budgeting process in place. Ongoing monthly management accounts and forecasting, which includes the monitoring of revenues and costs against budget
- Capital budgeting process and a dedicated Capital Committee
- Cash management and treasury function which operate within an approved treasury policy
- Multiyear medium-term financial projections

#### Commercial Income

Failure to grow commercial revenue and respond to changes in the advertising industry.

- Audience measurement and tracking
- Monitoring of revenue performance and three-month rolling revenue forecasting: RTÉ Executive monitors fortnightly revenue reports, including market and economic commentary
- Timely, responsive sales and cross-media initiatives and actions to address any revenue decline.
- Implementation of RTÉ's Fair Trading Policy and Procedures, which includes the introduction of functional separation of the commercial and public-service activities

### Strategic

#### Public Funding

Inadequate levels of public funding and lack of funding reform, limiting RTÉ's capacity to deliver its public-service objects as set out in legislation.

- Meet and present to key decision makers
- Secure economic and legal advice, or commission reports / benchmarking analysis, as required
- Monitoring of the licence fee collection targets, household statistics and evasion rates
- Ongoing collaboration with An Post and DCCAE on licence fee collection and related matters

#### Achievement of Organisational Change

The risk that RTÉ will not effectively manage the radical transformation of the organisation to achieve the new 'One RTÉ' business operating model and a proportionate cost base.

- Enabling the five-year strategy – six key initiatives
- Changes made to work practices to promote improved teamwork, flexibility, mobility and efficiency
- Review of and changes to the organisation structure on an ongoing basis

#### Distribution

Failure to deliver access to content on relevant platforms or to invest in the next trends in technology and content consumption, could threaten RTÉ's connection with the audience and the achievement of audience targets.

- Ongoing monitoring and analysis of technological developments and audience behaviour in the marketplace
- Distribution and content rights strategy in place
- Meet and present to key decision makers

#### Changes in Legislation/Regulation

Any changes to regulation or to Irish or EU law which could impact on RTÉ's operations including inter alia broadcasting legislation, advertising standards, licence fee, data protection, financial codes of practice.

- Meet and present to key decision makers
- Submissions made to relevant bodies making RTÉ's case on the effect of legislative and regulatory changes
- Submissions to consultation processes
- Collaboration and joint actions with other media organisations
- Secure economic and legal advice, or commission reports / benchmarking analysis, as required

# Corporate Governance

## For the year ended 31 December 2017 (continued)

### Description of Risk

### Mitigation Actions

#### Operational

##### Content

Failure to identify and develop sufficiently relevant and compelling content, particularly for young and under-served audiences groups – the need to take creative risks.

- Audience measurement and tracking
- Target to develop a digital hub
- Examine co-funding opportunities and other sources of funding which leverage RTÉ's investment and achieve a greater impact for a lower investment
- Strong independent production sector

##### People/Skills

The risk of a deficit in the experience and skills needed across all disciplines, to deliver RTÉ's strategic plan.

The risk includes the ability to attract, retain and develop staff members, especially for specialist roles; and a lack of diversity.

- Five-year strategy planning, including integral HR strategy
- Diversity action plan to encourage staff diversity and retention
- Succession planning
- Organisational learning and development strategy

##### Technology and Business Interruption

A significant failure in critical technology or other infrastructure, disrupting business continuity and broadcasting output.

- Business continuity plans
- Resilience and redundancy built into business processes: IT back-up procedures; mirrored servers; redundancy in national broadcast transmission system; etc.
- Training

#### Internal Control

In addition to the risk-management process outlined above, a strong internal control framework is in place to provide effective internal control, including:

- A clearly defined organisation structure, with formally defined authority limits and reporting mechanisms to higher levels of management and to the Board;
- A statement of decisions reserved to the Board for consideration and decision;
- Codes of business conduct for Board members and employees, setting out the ethical standards expected in the conduct of business;
- Established procedures to identify, control and report on key risks impacting the business;
- Comprehensive budgeting systems, with annual financial budgets approved by the Board;
- A planning process for each division, with long-term strategic plans approved by the Board;
- Timely financial reporting systems, with actual results reported against budget and considered by the Board on a monthly basis;
- A Good Faith Reporting (Whistleblowing) Policy, which provides staff with a confidential and, if required, anonymous means to report a matter of concern; and
- Comprehensive policies and procedures relating to operational and financial controls, including commitments and capital expenditure. Large capital projects require the approval of the Board.

Risk Committee, it has conducted a review of the effectiveness of the system of internal control up to and including the date of approval of the financial statements.

The process adopted by the Board to undertake the review of the effectiveness of the system of internal controls included:

- Consideration of the authority, resources and coordination of those involved in the identification, assessment and management of significant risks faced by RTÉ;
- Review and consideration of the output of the risk assessment and management process;
- Monitoring of risk reports from management;
- Review of the programme of internal audit and consideration of major findings; and
- Review of the report of the external auditors, who, as part of their normal procedures, test aspects of the systems of internal control and report any significant weaknesses to the Audit and Risk Committee.

#### Going Concern

After making enquiries, the members of the Board are satisfied that RTÉ has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going-concern basis in preparing the financial statements.

These controls are reviewed systematically by Internal Audit, on a risk-based approach. The Board confirms that, through the Audit and

### Board Members' Fees<sup>1</sup>

RTÉ complies with Government policy on the payment of fees to chairs and directors of State bodies, as determined by the Minister for Public Expenditure and Reform and the Minister for Communications, Climate Action and Environment.

	2017 €'000	2016 €'000
<b>Board members at 31 December 2017</b>		
Moya Doherty	31	31
Dee Forbes	-	-
Frank Hannigan	16	16
Deborah Kelleher	-	-
Aengus Mac Grianna <sup>2</sup>	16	16
Dr P.J. Mathews	-	-
Eoin McVey	16	1
Shane Naughton	16	16
Anne O'Leary	16	16
Fionnuala Sheehan	16	16
Margaret E Ward	16	16

### Payments to former Board members

Fergus Armstrong	14	16
Payments to other former Board members <sup>3</sup>	-	2
	157	146

- All members of the Board are non-executive, with the exception of the Director-General, Dee Forbes, serving in an ex officio capacity
- In addition to Board fees, Aengus Mac Grianna was paid as an employee of RTÉ
- Relates to payments to Pádraig Ó Céidigh who ceased to be a member of the Board on 3 March 2016

The annual fee payable to Board members for their services as members of the Board of RTÉ remained unchanged between 2016 and 2017. Differences in fee levels arise due to the timing of the appointment, or end of term of office, of Board members.

### Expenses of Board members<sup>1</sup>

In compliance with the *Code of Practice for the Governance of State Bodies*, the following disclosure is required of the expenses paid to Board members:

	2017 €'000	2016 €'000
Travel – mileage	19	26
Subsistence allowances	21	15
	40	41

- The expenses of Board members above relate to their Board services only and do not include expenses of members in their capacity as RTÉ employees.

### Remuneration of Director-General<sup>1</sup>

The remuneration of the Director-General conforms to Government policy for determining the remuneration of chief executive officers of commercial State bodies, issued by the Department of Public Expenditure and Reform, and is approved by the Minister for Communications, Climate Action and Environment. In compliance with the disclosure requirement in the *Code of Practice for the Governance of State Bodies* and in Section 305 of the *Companies Act 2014*, the remuneration of the Director-General comprises:

	Dee Forbes <sup>1</sup>		Noel Curran	
	2017 €'000	2016 €'000	2017 €'000	2016 €'000
<b>Emoluments:</b>				
– Basic salary	250	137	-	150
– Car allowance	25	12	-	11
<b>Total Emoluments</b>	<b>275</b>	149	-	161
<b>Retirement Benefit Contributions<sup>2</sup></b>	<b>63</b>	29	-	29
	<b>338</b>	178	-	190

- Dee Forbes assumed the post of Director-General of RTÉ on 11 July 2016, replacing Noel Curran who departed RTÉ with effect from 19 June 2016.
- The amount paid by RTÉ to a defined contribution pension scheme.

Expenses amounting to €4,438 (2016: €49,652) were incurred by Dee Forbes in the conduct of the duties of the post of Director-General. (In 2016, Noel Curran incurred expenses amounting to €1,924 in the conduct of the duties of the post prior to his departure from RTÉ.)

No performance-related pay was awarded or paid in respect of 2017 or 2016.

# Board Members' Report

## For the year ended 31 December 2017

The members of the Board of RTÉ present their annual report together with the audited Group financial statements for the year ended 31 December 2017.

### Principal Activities

RTÉ is Ireland's public-service broadcaster offering free-to-air television and radio services to its audience. RTÉ also publishes the *RTÉ Guide*, operates a teletext service and provides an extensive range of free web-based online services. Through its wholly owned subsidiary, RTÉ Transmission Network DAC (trading as 2m), RTÉ provides analogue and digital network transmission and tower facilities to broadcasters and other users. In addition, RTÉ operates the RTÉ National Symphony Orchestra and the RTÉ Concert Orchestra, together with other performing groups.

### Business Review

Detailed reviews of the performance during 2017 and future developments are set out in the Operational Review on pages 24 to 93 and in the Financial Review on pages 12 to 20. These reviews encompass the principal risks and uncertainties faced by the Group and an analysis of its key performance indicators, financial and non-financial. RTÉ's performance in meeting its annual commitments to its viewers and listeners, as set out in its Annual Statement of Performance Commitments 2017, are reviewed on pages 174 to 181.

### Results for the Year

The results of the Group for the year are set out in the Income Statement on page 112 and in the related notes.

### Members of the Board

The names of the persons who served as members of the Board as at 31 December 2017 are set out on pages 94 to 96.

### Corporate Governance

RTÉ's corporate governance arrangements are set out in the annual report as follows:

- Corporate governance pages 100 to 107
- Board members' profiles pages 94 to 96
- Statement of Board members' responsibilities page 109

### Directors' Compliance

The *Companies Act 2014*, which applies to RTÉ subsidiary companies, introduces a requirement for directors to secure a company's compliance with its relevant obligations (as defined in Section 225(1) of the Act), if the company meets specific size criteria specified in the Act.

RTÉ has implemented actions to ensure that, where applicable, its subsidiaries comply with the *Companies Act 2014* requirements for directors' compliance statements.

### Accounting Records

The RTÉ Board members are responsible for ensuring that adequate accounting records are maintained. The measures taken in this

regard include the use of appropriate systems and procedures, the employment of professionally qualified accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The Group's accounting records are kept at Donnybrook, Dublin 4.

### Payment of Accounts

The members of the Board acknowledge their responsibility for ensuring compliance in all material respects with the provisions of the *European Communities (Late Payment in Commercial Transactions) Regulations 2012* ('the Regulations'). Procedures have been implemented to identify the dates upon which invoices fall due for payment and to ensure that payments are made by such dates. Such procedures provide reasonable assurance against material non-compliance with the Regulations. The payment policy during the year under review was to comply with the requirements of the Regulations.

### Group Companies

Information relating to subsidiary and associated undertakings is included in note 20 to the financial statements.

### Financial Instruments

The Group has exposure to financial risks relating to credit, liquidity, foreign exchange, interest rate and operational risk. The Group has detailed procedures for monitoring and managing these risks which are set out in note 23 to the financial statements.

### Auditor

KPMG, Chartered Accountants, will continue in office in accordance with Section 383 (2) of the *Companies Act 2014*.

### Political Donations

With reference to the *Electoral Act, 1997*, RTÉ does not make any political donations.

### Relevant Audit Information

The Board members believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Group's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Group's statutory auditors are unaware.

### Subsequent Events

Details of important events affecting the Group which have taken place since the end of the financial year are given in note 27 to the financial statements.

On behalf of the Board

**Moya Doherty**  
Chair

**Anne O'Leary**  
Board Member and  
Chair of the Audit and  
Risk Committee

**Dee Forbes**  
Director-General

26 April 2018



# Statement of Board Members' Responsibilities

## For the year ended 31 December 2017

The members of the Board of RTÉ (the "RTÉ Board") are responsible for preparing the Annual Report and the Group and RTÉ financial statements in accordance with applicable law and regulations.

The *Broadcasting Act 2009* ("broadcasting legislation") requires the RTÉ Board to prepare Group and RTÉ financial statements for each financial year. Under that legislation, the RTÉ Board has elected to prepare the Group and RTÉ financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and as applied in accordance with the provisions of the broadcasting legislation and the relevant provisions of the *Companies Act 2014*.

Under the relevant provisions of the *Companies Act 2014*, the RTÉ Board must not approve the Group and RTÉ financial statements unless it is satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and RTÉ and of the Group's profit or loss for that year. In preparing each of the Group and RTÉ financial statements, the RTÉ Board is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether the financial statements have been prepared in accordance with IFRS as adopted by the EU and as applied in accordance with the provisions of the broadcasting legislation and the relevant provisions of the *Companies Act 2014*; and
- Prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the Group and RTÉ will continue in business.

The RTÉ Board is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Group and RTÉ and which enable them to ensure that the financial statements of the Group and RTÉ are prepared in accordance with applicable IFRS, as adopted by the EU and comply with the provisions of the broadcasting legislation and the relevant provisions of the *Companies Act 2014*. The RTÉ Board have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and RTÉ and to prevent and detect fraud and other irregularities. The RTÉ Board is also responsible for preparing a Board Members' Report that complies with the relevant provisions of the *Companies Act 2014*.

The RTÉ Board members are responsible for ensuring that the corporate governance statement on pages 100 to 107 reflects the Group's compliance with the *Code of Practice for the Governance of State Bodies*.

The RTÉ Board members are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

**Moya Doherty**  
Chair

**Anne O'Leary**  
Board Member and  
Chair of the Audit and  
Risk Committee

**Dee Forbes**  
Director-General

26 April 2018

# Independent Auditor's Report to the Members of the Board of RTÉ

## 1 Report on the audit of the financial statements

### Opinion

We have audited the Group and Company financial statements ("financial statements") of RTÉ for the year ended 31 December 2017, which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the RTÉ and Group Statements of Financial Position, the RTÉ and Group Statements of Changes in Equity, the RTÉ and Group Cash Flow Statements and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is the *Broadcasting Act 2009* (the "broadcasting legislation") and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the relevant provisions of the *Companies Act 2014*.

In our opinion:

- The Group financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2017 and of its profit for the year then ended;
- The RTÉ statement of financial position gives a true and fair view of the assets, liabilities and financial position of RTÉ as at 31 December 2017;
- The Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- The RTÉ financial statements have been properly prepared in accordance with IFRS as adopted by the European Union, as applied in accordance with the relevant provisions of the *Companies Act 2014*; and
- The Group and RTÉ financial statements have been properly prepared in accordance with the relevant provisions of the *Companies Act 2014*.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Board Members' Report, the statement of Board Members' Responsibilities, Chair's Statement, Director-General's Review, Financial Review, Operational Review, Corporate Governance and Other Reporting Requirements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information;

- we have not identified material misstatements in the Board Members' Report; and
- in our opinion, the information given in the Board Members' Report is consistent with the financial statements.

### Opinions on other matters on which we are required to report under the terms of our engagement letter

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Group were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

### **Matters on which we are required to report by exception**

Under the 2016 *Code of Practice for the Governance of State Bodies* (“the Code”) we are required to report to you if the statement regarding the system of internal control required under the Code, as included in the Corporate Governance Statement on pages 100 to 107, does not reflect the Group’s compliance with paragraph 1.9 (iv) of the Code or if it is not consistent with the information of which we are aware from our audit work on the financial statements and we report if it does not.

## **2 Respective responsibilities and restrictions on use**

### **Responsibilities of directors for the financial statements**

As explained more fully in the Statement of Board Members’ Responsibilities set out on page 109, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor’s responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA’s website at [https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf)

### **The purpose of our audit work and to whom we owe our responsibilities**

Our report is made solely to the Board of RTÉ (“the Board”), in accordance with broadcasting legislation. Our audit work has been undertaken so that we might state to the Board those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board for our audit work, for this report, or for the opinions we have formed.



**Ruaidhri Gibbons**  
for and on behalf of

**KPMG**  
**Chartered Accountants, Statutory Audit Firm**

1 Stokes Place,  
St. Stephen’s Green,  
Dublin 2

26 April 2018

# Group Income Statement

## for the year ended 31 December 2017

	Notes	2017 €'000	2016 €'000
<b>Continuing Operations</b>			
Revenue	2	<b>337,576</b>	337,318
Operating costs (before depreciation, amortisation, gain on disposal of assets and exceptional items)	3	<b>(334,520)</b>	(343,448)
<hr/>			
<b>EBITDA<sup>1</sup> before gain on disposal of assets and exceptional items</b>		<b>3,056</b>	(6,130)
Depreciation and amortisation	5	<b>(12,330)</b>	(13,562)
Gain on disposal of assets	5	<b>5,004</b>	119
Exceptional items <sup>2</sup>	6	<b>69,896</b>	-
<hr/>			
<b>Profit/(Loss) from Operating Activities</b>		<b>65,626</b>	(19,573)
Finance income	4	<b>542</b>	1,781
Finance expense	4	<b>(2,657)</b>	(1,564)
<hr/>			
<b>Surplus/(Deficit) Before Income Tax</b>	5	<b>63,511</b>	(19,356)
Income tax expense	8	<b>(21,418)</b>	(297)
<hr/>			
<b>Surplus/(Deficit) for the Year</b>		<b>42,093</b>	(19,653)

1 EBITDA: Earnings (operating profit) before interest, tax, depreciation and amortisation

2 Exceptional items: Gain on disposal of land, sales-enabling project costs, restructuring and other charges

# Group Statement of Comprehensive Income

## for the year ended 31 December 2017

	Notes	2017 €'000	2016 €'000
Surplus/(Deficit) for the year		<b>42,093</b>	(19,653)
<b>Other Comprehensive Income</b>			
<b>Items that will never be reclassified to profit or loss</b>			
Re-measurement gain/(loss) of the defined benefit pension scheme	21	<b>28,273</b>	(15,521)
Re-measurement gain/(loss) of the '50/50' risk-sharing pension scheme	21	<b>1,074</b>	(1,812)
Related deferred tax on pension assets	22	<b>(2,731)</b>	2,211
		<b>26,616</b>	(15,122)
<b>Items that are or may be reclassified to profit or loss</b>			
Cash flow hedge – effective portion of changes in fair value		<b>(49)</b>	(350)
Cash flow hedge – reclassified to Income Statement	4	<b>218</b>	187
Fair value gain/(loss) on cash flow hedge	19	<b>169</b>	(163)
Deferred tax on cash flow hedge	22	<b>(21)</b>	20
		<b>148</b>	(143)
<b>Total other comprehensive surplus/(deficit) for the year</b>		<b>26,764</b>	(15,265)
<b>Total comprehensive surplus/(deficit) for the year</b>		<b>68,857</b>	(34,918)

# Group Statement of Financial Position

## at 31 December 2017

	Notes	2017 €'000	2016 €'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	9	66,114	70,137
Intangible assets	10	3,212	2,020
Pension asset	21	50,910	29,064
Derivative financial instruments	23	12	164
<b>Total Non-Current Assets</b>		<b>120,248</b>	101,385
<b>Current Assets</b>			
Inventories	11	34,871	35,427
Trade and other receivables	12	39,494	40,340
Prepayments and accrued income		20,200	12,716
Liquid investments	13	36,993	1,000
Cash and cash equivalents	14	70,126	16,698
Derivative financial instruments	23	-	486
<b>Total Current Assets</b>		<b>201,684</b>	106,667
<b>Total Assets</b>		<b>321,932</b>	208,052
<b>EQUITY</b>			
Retained earnings		109,373	40,664
Cash flow hedge reserve	19	(261)	(409)
		<b>109,112</b>	40,255
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Interest-bearing loans and borrowings	15	45,000	52,500
Employee benefits	18	5,878	10,173
Trade and other payables	16	3,858	2,515
Deferred tax liabilities	22	8,521	5,369
Capital grants	25	7,946	-
Derivative financial instruments	23	85	258
<b>Total Non-Current Liabilities</b>		<b>71,288</b>	70,815
<b>Current Liabilities</b>			
Interest-bearing loans and borrowings	15	4,500	5,375
Trade and other payables	16	80,208	72,437
Taxation and social welfare	17	31,669	9,772
Capital grants	25	22	-
Employee benefits	18	24,328	9,189
Derivative financial instruments	23	805	209
<b>Total Current Liabilities</b>		<b>141,532</b>	96,982
<b>Total Liabilities</b>		<b>212,820</b>	167,797
<b>Total Equity and Liabilities</b>		<b>321,932</b>	208,052

On behalf of the Board

**Moya Doherty**  
Chair

**Anne O'Leary**  
Board Member and Chair of  
the Audit and Risk Committee

**Dee Forbes**  
Director-General

26 April 2018

## Group Statement of Changes in Equity at 31 December 2017

	Retained earnings €'000	Cash flow hedge reserve €'000 (Note 19)	Total Equity €'000
<b>Balance at 1 January 2017</b>	<b>40,664</b>	<b>(409)</b>	<b>40,255</b>
Surplus for the year	42,093	-	42,093
Other comprehensive surplus	26,616	148	26,764
<b>Total comprehensive surplus</b>	<b>68,709</b>	<b>148</b>	<b>68,857</b>
<b>Balance at 31 December 2017</b>	<b>109,373</b>	<b>(261)</b>	<b>109,112</b>
Balance at 1 January 2016	75,439	(266)	75,173
Deficit for the year	(19,653)	-	(19,653)
Other comprehensive deficit	(15,122)	(143)	(15,265)
Total comprehensive deficit	(34,775)	(143)	(34,918)
Balance at 31 December 2016	40,664	(409)	40,255

## RTÉ Statement of Changes in Equity at 31 December 2017

	2017 €'000	2016 €'000
<b>Retained earnings</b>		
Balance at 1 January	<b>(60,473)</b>	(29,115)
Surplus/(Deficit) for the year	<b>47,853</b>	(16,236)
Other comprehensive surplus/(deficit)	<b>26,615</b>	(15,122)
Total comprehensive surplus/(deficit)	<b>74,468</b>	(31,358)
Balance at 31 December	<b>13,995</b>	(60,473)

# Group Cash Flow Statement

## for the year ended 31 December 2017

	Notes	2017 €'000	2016 €'000
<b>Cash Flows from Operating Activities</b>			
Surplus/(Deficit) for the year		<b>42,093</b>	(19,653)
Adjustments for:			
Depreciation of property, plant and equipment	9	<b>11,492</b>	12,332
Amortisation of intangible assets	10	<b>838</b>	1,230
Gain on disposal of property, plant and equipment		<b>(5,004)</b>	(119)
Exceptional items		<b>(69,896)</b>	-
Difference between pension credit and cash contributions		<b>2,349</b>	1,545
Net finance expense/(income)	4	<b>2,115</b>	(217)
Income tax expense	8	<b>21,418</b>	297
		<b>5,405</b>	(4,585)
Change in inventories and related inventory payables		<b>(767)</b>	(5,386)
Change in trade and other receivables		<b>880</b>	(1,525)
Change in prepayments		<b>(7,558)</b>	5,045
Change in trade and other payables		<b>12,470</b>	4,152
Change in taxation and social welfare		<b>889</b>	(480)
Change in employee benefits and restructuring and other costs		<b>(18,767)</b>	(2,623)
<b>Net Cash (absorbed)/generated from Operating Activities</b>		<b>(7,448)</b>	(5,402)
<b>Cash Flows from Investing Activities</b>			
Interest received		<b>2</b>	13
Proceeds from sale of property, plant and equipment		<b>109,963</b>	127
Capital grant		<b>7,976</b>	-
Acquisition of property, plant and equipment		<b>(9,854)</b>	(7,551)
Acquisition of intangible assets		<b>(1,532)</b>	(987)
<b>Net Cash generated by Investing Activities</b>		<b>106,555</b>	(8,398)
<b>Cash Flows from Financing Activities</b>			
(Repayments)/Proceeds from borrowings	15	<b>(8,375)</b>	7,250
Interest paid		<b>(1,311)</b>	(1,455)
(Increase)/Decrease in liquid investments	13	<b>(35,993)</b>	(1,000)
<b>Net Cash absorbed by Financial Activities</b>		<b>(45,679)</b>	4,795
Net increase/(decrease) in cash and cash equivalents		<b>53,428</b>	(9,005)
Cash and cash equivalents at 1 January		<b>16,698</b>	25,703
<b>Cash and Cash Equivalents at 31 December</b>	14	<b>70,126</b>	16,698

On behalf of the Board

**Moya Doherty**  
Chair

**Anne O'Leary**  
Board Member and Chair of  
the Audit and Risk Committee

**Dee Forbes**  
Director-General

26 April 2018



# RTÉ Statement of Financial Position at 31 December 2017

	Notes	2017 €'000	2016 €'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	9	15,004	17,952
Intangible assets	10	3,171	1,881
Investments in subsidiaries	20	65,827	65,827
Pension asset	21	50,910	29,064
Derivative financial instruments	23	12	164
<b>Total Non-Current Assets</b>		<b>134,924</b>	114,888
<b>Current Assets</b>			
Inventories	11	34,708	35,340
Trade and other receivables	12	34,969	34,081
Prepayments and accrued income		16,844	9,217
Liquid investments	13	36,993	1,000
Cash and cash equivalents	14	59,008	13,198
Derivative financial instruments	23	-	486
<b>Total Current Assets</b>		<b>182,522</b>	93,322
<b>Total Assets</b>		<b>317,446</b>	208,210
<b>EQUITY</b>			
Retained earnings		13,995	(60,473)
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Interest-bearing loans and borrowings	15	-	3,000
Employee benefits	18	5,636	10,027
Trade and other payables	16	3,858	2,515
Deferred tax liabilities	22	5,161	2,358
<b>Total Non-Current Liabilities</b>		<b>14,655</b>	17,900
<b>Current Liabilities</b>			
Interest-bearing loans and borrowings	15	-	1,875
Trade and other payables	16	234,731	230,949
Taxation and social welfare	17	29,228	8,900
Derivative financial instruments	23	591	-
Employee benefits	18	24,246	9,059
<b>Total Current Liabilities</b>		<b>288,796</b>	250,783
<b>Total Liabilities</b>		<b>303,451</b>	268,683
<b>Total Equity and Liabilities</b>		<b>317,446</b>	208,210

On behalf of the Board

**Moya Doherty**  
Chair

**Anne O'Leary**  
Board Member and Chair of  
the Audit and Risk Committee

**Dee Forbes**  
Director-General

26 April 2018

# RTÉ Cash Flow Statement

## for the year ended 31 December 2017

	Notes	2017 €'000	2016 €'000
<b>Cash Flows from Operating Activities</b>			
Surplus/(Deficit) for the year after tax		<b>47,853</b>	(16,236)
Adjustments for:			
Depreciation of property, plant and equipment	9	<b>6,042</b>	6,747
Amortisation of intangible assets	10	<b>809</b>	1,126
Gain on disposal of property, plant and equipment		<b>(5,001)</b>	(110)
Exceptional items		<b>(70,003)</b>	-
Difference between pension credit and cash contributions		<b>2,349</b>	1,545
Net finance expense/(income)		<b>972</b>	(1,368)
Income tax expense		<b>19,302</b>	(81)
		<b>2,323</b>	(8,377)
Change in inventories and related inventory payables		<b>(690)</b>	(5,414)
Change in trade and other receivables		<b>(843)</b>	(1,784)
Change in prepayments		<b>(7,705)</b>	5,582
Change in provisions and trade and other payables		<b>8,492</b>	11,013
Change in taxation and social welfare		<b>1,098</b>	(188)
Change in employee benefits and restructuring and other costs		<b>(18,709)</b>	(2,342)
<b>Net Cash (absorbed)/generated from Operating Activities</b>		<b>(16,034)</b>	(1,510)
<b>Cash Flows from Investing Activities</b>			
Interest received		<b>2</b>	13
Proceeds from sale of property, plant and equipment		<b>109,954</b>	112
Acquisition of property, plant and equipment		<b>(5,527)</b>	(5,164)
Acquisition of intangible assets		<b>(1,553)</b>	(960)
<b>Net Cash generated by Investing Activities</b>		<b>102,876</b>	(5,999)
<b>Cash Flows from Financing Activities</b>			
Repayment of borrowings	15	<b>(4,875)</b>	(750)
Interest paid		<b>(164)</b>	(289)
(Increase)/Decrease in liquid investments	13	<b>(35,993)</b>	(1,000)
<b>Net Cash absorbed by Financial Activities</b>		<b>(41,032)</b>	(2,039)
Net (decrease)/increase in cash and cash equivalents		<b>45,810</b>	(9,548)
Cash and cash equivalents at 1 January		<b>13,198</b>	22,746
<b>Cash and Cash Equivalents at 31 December</b>	14	<b>59,008</b>	13,198

On behalf of the Board

**Moya Doherty**  
Chair

**Anne O'Leary**  
Board Member and Chair of  
the Audit and Risk Committee

**Dee Forbes**  
Director-General

26 April 2018

# Notes forming part of the Group Financial Statements

## 1. Summary of Significant Accounting Policies

### (a) Basis of accounting

Below we set out our key accounting policies. A full list of accounting policies can be found in the appendix to the Group Financial Statements on pages 168 to 172. The accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group and RTÉ financial statements except for the new standards and amendments to standards outlined in the appendix to the Group Financial Statements.

### (i) Reporting entity

RTÉ is a statutory corporation established under the *Broadcasting Authority Act, 1960* and is domiciled in Ireland. The consolidated financial statements of RTÉ as at and for the year ended 31 December 2017 comprise the statutory corporation and all entities controlled by it (together referred to as the 'Group').

### (ii) Statement of compliance

The RTÉ and Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) that are effective for the year ended 31 December 2017 and are applied in accordance with the provisions of broadcasting legislation. The Group has also elected to present both its consolidated and RTÉ parent entity financial statements in accordance with the provisions of the *Companies Act 2014* in so far as necessary to give a true and fair view. Accordingly, RTÉ's parent statement of financial position, statement of cash flows and statement of changes in equity have also been presented with the consolidated financial statements as would ordinarily be required by the *Companies Act 2014*. RTÉ's Group Income Statement has been adapted as permitted by *Companies Act 2014*, Schedule 3 Part II, Section A4(5).

### (iii) Basis of preparation

The RTÉ and Group financial statements have been prepared on the historical cost basis as modified by the measurement at fair value of derivative financial instruments and retirement benefit obligations.

The Group financial statements are prepared in euro, rounded to the nearest thousand (€000), which is the functional currency of all subsidiaries in the Group.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The key areas involving significant judgement or complexity, or areas where assumptions and estimates are significant to the Group's financial statements, relate primarily to the valuation of the defined benefit pension scheme and financial instruments and are documented in the relevant accounting policies and in the related notes.

### (iv) Adoption of new and revised standards

In preparing the Group financial statements for the current year, the Group has adopted a number of new IFRSs, none of which have had a significant effect on the results or net assets of the Group. A list is provided in an appendix to the Annual Report.

### (v) Standards in issue but not yet effective

The following standards are in issue and are effective for accounting periods commencing on or after 1 January 2018. A complete list of standards that are in issue but not effective until 2019 or beyond is included within our full accounting policies in an appendix to the Annual Report.

IFRS 15 *Revenue from contracts with customers* was issued in May 2014 and establishes the principles that an entity shall apply to report on the nature, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The core principle is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange. The adoption of IFRS 15 is not expected to have a material impact on our results of operations and financial position.

In July 2014, the IASB issued a final version of IFRS 9 *Financial instruments* which replaces IAS 39 *Financial instruments: recognition and measurement*. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. We do not expect adoption of IFRS 9 to have a material impact of our consolidated financial statements.

### (vi) Key accounting policies

Below we set out our key accounting policies. A complete list of our accounting policies is included in the Annual Report as an appendix on pages 168 to 172.

# Notes forming part of the Group Financial Statements (continued)

## 1. Summary of Significant Accounting Policies (continued)

### Key Accounting Policies

#### (b) Revenue recognition

Revenue, which excludes VAT and transactions between companies in the Group, comprises income arising from licence fees; advertising sales; sponsorship; the use of the Group's facilities and transmission network; circulation and events income; and content, merchandising and related income. Revenue is stated net of any settlement and volume discounts.

Revenue is recognised to the extent that recovery is probable, it is subject to reliable measurement, it is probable that economic benefit will flow to the Group and that the significant risks and rewards of ownership have transferred to the buyer.

#### (i) Licence fee revenue

The Department of Communications, Climate Action and Environment (DCCAE) has nominated An Post to be the collection agent for the TV licence fee. Licence fee revenue is collected by An Post and paid over to the DCCAE, net of collection costs. In addition, licence fee revenue is payable by the Department of Employment Affairs and Social Protection (DEASP) on behalf of individuals eligible for a 'free' television licence. This revenue has been subject to a cap since 2011 and is paid monthly by the DEASP to the DCCAE.

The DCCAE makes a non-repayable 'grant-in-aid' to RTÉ from these licence fees collected, as provided in Section 123 of the *Broadcasting Act 2009* as amended by section 69 of the *Communications Regulation (Postal Services) Act 2011*. This equates to the amounts paid to it by the DEASP, together with the amounts collected by An Post net of collection costs, a 7% levy to the Broadcasting Fund and amounts paid to TG4 as determined by the Minister for Communications, Climate Action and Environment.

Licence fee revenue payable by the DEASP is recognised upon receipt. All other licence fee income is recognised upon notification by An Post, of the number of licences sold in the period.

#### (ii) Advertising and sponsorship income

Television advertising income is recognised on delivery of a campaign. All other advertising income is recognised on transmission/publication. Advertising income is stated net of agency commissions. Sponsorship income is recognised evenly over the life of the sponsored programme, publication, etc.

#### (iii) Transmission and facilities income

Transmission and facilities income arise from the use of and access to the Group's transmission, distribution and multiplexing network and studio facilities provided to third parties. Amounts are recognised as the facilities are made available to third parties.

#### (iv) Circulation and events income

Circulation income arises from the publication and circulation of the *RTÉ Guide* and is stated net of fees due to the distributor and end retailer. Revenue is recognised on the basis of the net copies sold at the end of the sales cut-off period for each issue.

Events income arises from public events organised by RTÉ Orchestras. It is recognised as the events are held and amounts fall due.

#### (v) Content, merchandising and related income

Content, merchandising and related income represents amounts generated from RTÉ content and services provided to third parties. Revenue is recognised as the service is provided or upon delivery of goods to the third party.

## 1. Summary of Significant Accounting Policies (continued)

### (c) Segment reporting

Segmental analysis, prepared in accordance with IFRS 8 *Operating segments* is set out in note 2(d) and 2(f). RTÉ's primary reporting segments are its integrated business divisions (IBDs). Other segmental analysis as required by the *Broadcasting Act 2009* is set out in note 2(e).

In note 2(d), commercial revenues are mainly reported in the Commercial IBD. 2rn revenues are reported in Network IBD. Archive and library sales revenues are reported in Digital IBD. Revenues from the provision of multiplexing services and some other minor revenues are reported under other segments. With the exception of the News & Current Affairs IBD, the reporting of licence fee revenue within each IBD is a function of the licence fee attributed to each individual channel and service. In the case of the News & Current Affairs IBD, all of the costs are covered by attributed licence fee revenue.

Costs directly incurred by and for an IBD are reported within that IBD. An appropriate full-cost absorption/usage allocation basis is used to apply a fair and reasonable cost to inter-divisional and central shared services consumed by those IBDs. The allocations are based upon consistently applied and objectively justifiable cost accounting principles.

Costs of production, commissioning and acquisition of television and radio programmes are incurred for the purpose of providing RTÉ's free-to-air television and radio channels. These costs are charged to the Television, Radio and News & Current Affairs IBDs as appropriate. In order to fairly reflect the true cost of providing RTÉ's free-to-air television and radio channels, these costs are not apportioned to the online services where further opportunities to access the content are provided. Where direct costs are incurred in the acquisition of online rights, the repurposing of content or the creation of content primarily for online, these are charged to online services. Where content is sourced both for inclusion in broadcast programmes and used directly in online services, the cost of sourcing such content is allocated in line with the cost allocation principles set out above.

In note 2(f), assets and liabilities by IBD are stated after the elimination of inter-company assets and liabilities and any inter-company profit resulting from internal transfers.

### (d) Programme inventories

Programme inventories are valued at the lower of cost and net realisable value.

Indigenous programme inventories are programmes produced in-house by RTÉ or programmes commissioned by RTÉ from independent producers. Costs for in-house programme stock include direct programme costs, including production facilities and programme labour costs. Costs for commissioned programme stocks are based on the contract price. Indigenous programme inventories are charged to the Income Statement in full on first transmission.

Acquired programme inventories are programmes and films purchased by RTÉ from third-party studios and broadcasters. Costs for acquired programme inventories are defined as the third-party licence contract price which RTÉ pays the studio or broadcaster. Acquired programme inventories are charged to the Income Statement based on the expected value of each transmission as follows:

Features:	75% on first transmission
	25% on second transmission
Series:	99% on first transmission
	1% on second transmission

Sports rights inventories are the rights to broadcast sporting events. Costs for sport rights inventories are defined as the contract price agreed by the Group with the relevant sports body or rights holder. Where RTÉ sublicences sports rights to third parties, the associated income and costs are reflected on a net basis in the Income Statement. Sports rights inventories are charged to the Income Statement as the sporting events relating to the rights are broadcast.

# Notes forming part of the Group Financial Statements (continued)

## 2. Principal Activities and Segmental Information

### (a) Principal activities

RTÉ is a not-for-profit organisation. Its principal public-service activity is the broadcast of a comprehensive range of free-to-air television and radio channels. RTÉ provides opportunities to access content from these services via its free online services. The key online services are set out in the Digital operational review. Further opportunities to access RTÉ's public-service content are provided via the RTÉ One+1 and RTÉjr channels and through the RTÉ News Now online service. These services serve all demographic categories in Irish society with a wide variety of output and genres, irrespective of commercial audience attraction, and with specific emphasis on indigenously produced programmes. RTÉ's other public-service activities include RTÉ Orchestras, as described in the Orchestras Operational Review.

The cost of RTÉ's public-service activities is substantially in excess of the amount of public funding received in the form of licence fee revenue. Accordingly, RTÉ also engages in ancillary commercial activities to support its public-service activities. These include the sale of advertising and sponsorship, publication of the *RTÉ Guide* and other broadcast-related commercial activities.

As required by legislation, RTÉ provides digital terrestrial television (DTT) multiplexing services which it makes available to national broadcasters, including RTÉ's own services, in accordance with published regulated market tariffs. The management of this multiplexing service is separated within RTÉ from the management of the broadcast IBDs. RTÉ Transmission Network DAC (trading as 2rn), a subsidiary of RTÉ, supplies transmission and distribution services to multiplex operators (including RTÉ) and national and quasi-national sound broadcasters, including RTÉ. 2rn also makes the transmission network available to local broadcasters and rents surplus tower/mast space to a variety of third-party non-broadcast users.

The management of RTÉ's public-service output was organised into seven IBDs: Commercial, Television, Radio, News & Current Affairs, Digital, Orchestras and Network. Network IBD, entirely located within 2rn, managed the transmission, distribution and related activities as described above. With effect from 1 January 2016, RTÉ established a new Commercial IBD to manage all commercial activities other than: those carried on by 2rn, the provision of multiplexing services (see above) and sales of archive and library services managed by the Digital IBD. The new IBD was established further to the publication of RTÉ's updated Fair Trading Policy and Procedures to more clearly demonstrate the separation of RTÉ's public-service and commercial activities. For each IBD, the Director-General and the RTÉ Executive review internal management reports on a monthly basis. A detailed list of RTÉ's activities by IBD and legal entity is set out in note 20 to these financial statements.

In addition to the seven IBDs, RTÉ operates Corporate HQ and Central Shared Services. Corporate HQ consists of general administrative and other activities that arise at the entity level relating to the governance of RTÉ as a public-service broadcaster. Central Shared Services encompass activities that are carried out centrally on behalf of the IBDs. Costs of Central Shared Services activities provided to the IBDs are allocated in accordance with the cost allocation principles set out in note 1(c). The cost of the Corporate HQ is not allocated to IBDs and is reported as an 'other' segment between the cost of reportable segments and the total cost.

### (b) Segmental information and other analysis

Broadcast and transmission services including multiplex services are charged to all IBDs on the basis of published tariffs. 2rn invoices RTÉ at the published regulated tariff for supply of transmission and distribution services as a multiplex operator and as a sound broadcaster. Costs incurred in support of RTÉ's television and radio channels are charged to those channels on the basis of the published regulated tariffs. Other elements of the tariff are reported as a reconciling item between the cost of reportable segments and the total cost. Other 2rn services are invoiced at appropriate market rates.

Transactions between activities in pursuit of RTÉ's public-service objects and activities to exploit commercial opportunities are effected at market rates.

The segmental information in note 2(d) and note 2(f) presents information for the seven IBDs above. Other segmental analysis as required by the *Broadcasting Act 2009* is set out in note 2(e).

## 2. Principal Activities and Segmental Information (continued)

Note 2(e) provides an analysis of gross/net cost of public-service activities and (deficit)/surplus by channel and service. In addition, gross costs of indigenous content by broadcasting genre are also provided. The analysis between public-service and non-public-service activities is reported in a manner that is consistent with the principles used to report revenues and costs set out above.

News & Current Affairs IBD costs are fully allocated to the relevant television and radio channels in accordance with the cost allocation principles outlined in note 1(c).

The residual non-channel and non-service activities are aggregated together under the category 'Other' and include 2m, provision of multiplexing services, *RTÉ Guide* and non-channel activities.

### (c) Licence fee attribution

Each RTÉ service has a detailed service description which clearly defines how the channel or service contributes to the delivery of RTÉ's public-service objects.

In line with common practice among public-service media organisations (PSMs) across the EU, RTÉ attributes public funding to individual services based on the net cost of the public service. Net cost of public service is the gross cost of delivering the public service after deducting the contribution from commercial activities.

The gross public-service cost of each of RTÉ's channels and services includes all costs incurred in the production and delivery of the service. It does not include any costs incurred in the exploitation of commercial opportunities arising from the provision of the service. These costs are allocated against the commercial revenue to which they relate, to calculate the commercial contribution. Surpluses on commercial activities not directly linked to channels or services are attributed to those public-service activities which have significant revenue-generating potential (RTÉ One, RTÉ2, RTÉ Radio 1, RTÉ 2fm, online services) in proportion to the gross cost of public services.

Licence fee revenue is firstly attributed to those public-service channels and services that have a limited capacity to generate commercial revenue in their own right and therefore are, of necessity, primarily funded by licence fee revenue in order to facilitate continued delivery of the public service. The services at issue comprise RTÉ Orchestras, RTÉ Raidió na Gaeltachta, RTÉ lyric fm, statutory provision of programming to TG4, supplementary DTT and digital audio broadcast (DAB) channels ('other channels'), Corporate HQ and financing costs.

The remaining licence fee is attributed between services with significant commercial revenue potential in proportion to the net cost of the public services. These services include: RTÉ One, RTÉ2, RTÉ Radio 1, RTÉ 2fm and online services. No licence fee revenue is attributed to 2m, the provision of multiplexing services by RTÉ or any costs incurred in the exploitation of commercial opportunities.

# Notes forming part of the Group Financial Statements (continued)

## 2. Principal Activities and Segmental Information (continued)

(d) Revenues, costs and (deficit)/surplus by IBD (continuing operations), in line with RTE's organisation structure, year ended

31 December 2017

	REPORTABLE SEGMENTS							OTHER			Group Total €'000
	Commercial IBD €'000	Television IBD €'000	Radio IBD €'000	News & Current		Network IBD €'000	Digital IBD €'000	All Other Segments €'000	DTT Related €'000	Consolidation Adjustments* €'000	
				Affairs IBD €'000	Orchestras €'000						
<b>Revenue</b>											
Advertising income	105,020	-	-	-	-	-	-	-	-	(467)	104,553
Sponsorship income	10,237	-	-	-	-	-	-	224	-	-	10,461
Facilities income	3,485	-	-	-	-	-	-	30	-	(140)	3,375
Circulation and event income	5,318	-	-	-	-	-	-	-	-	-	5,318
Transmission, mast and towers income	-	-	-	-	-	28,460	-	-	-	(18,473)	9,987
Content, merchandising and related sales	12,913	-	-	-	-	-	443	-	-	(2)	13,354
Other commercial revenue	95	-	-	-	-	-	-	4,405	-	(40)	4,460
Commercial revenue	137,068	-	-	-	-	28,460	443	4,659	-	(19,122)	151,508
Licence fee revenue attribution	-	77,113	32,284	52,924	12,985	-	5,349	4,352	1,061	-	186,068
	<b>137,068</b>	<b>77,113</b>	<b>32,284</b>	<b>52,924</b>	<b>12,985</b>	<b>28,460</b>	<b>5,792</b>	<b>9,011</b>	<b>1,061</b>	<b>(19,122)</b>	<b>337,576</b>
<b>Costs by output category**</b>											
<i>Programme costs - by source</i>											
In-house productions	-	(81,219)	(47,612)	(52,705)	-	-	(91)	-	-	501	(181,126)
Commissioned programming	-	(39,652)	(1,192)	-	-	-	(32)	-	-	-	(40,876)
Indigenous programming	-	(120,871)	(48,804)	(52,705)	-	-	(123)	-	-	501	(222,002)
Acquired programmes - Ireland	-	(2,078)	-	-	-	-	-	-	-	-	(2,078)
Acquired programmes - Overseas	-	(25,044)	-	-	-	-	(419)	-	-	-	(25,463)
	-	(147,993)	(48,804)	(52,705)	-	-	(542)	-	-	501	(249,543)
General broadcast and transmission costs	-	(21,460)	(3,324)	(223)	-	(18,660)	(2,911)	(188)	-	673	(46,093)
2rn transmission and power charges	-	(8,544)	(5,664)	-	-	-	-	(3,760)	-	17,968	-
Sales costs	(9,886)	-	-	-	-	-	-	(19)	-	253	(9,652)
Other output-related costs	(12,265)	-	(23)	-	(15,722)	-	(9,092)	(11)	(1,061)	335	(37,839)
	<b>(22,151)</b>	<b>(177,997)</b>	<b>(57,815)</b>	<b>(52,928)</b>	<b>(15,722)</b>	<b>(18,660)</b>	<b>(12,545)</b>	<b>(3,978)</b>	<b>(1,061)</b>	<b>19,730</b>	<b>(343,127)</b>
<b>Other revenues and costs</b>											
Corporate HQ	-	-	-	-	-	-	-	(4,902)	-	(50)	(4,952)
Interest payable	-	-	-	-	-	(1,142)	-	(287)	-	-	(1,429)
Interest receivable	-	-	-	-	-	-	-	2	-	-	2
Disposal of assets	4,973	3	4	4	-	3	-	17	-	-	5,004
<b>IBD Surplus/(Deficit)</b>	<b>119,890</b>	<b>(100,881)</b>	<b>(25,527)</b>	<b>-</b>	<b>(2,737)</b>	<b>8,661</b>	<b>(6,753)</b>	<b>(137)</b>	<b>-</b>	<b>558</b>	<b>(6,926)</b>
Net defined benefit pension related finance expense	-	-	-	-	-	-	-	541	-	-	541
Exceptional Items	-	-	-	-	-	(108)	-	70,004	-	-	69,896
<b>Surplus/(Deficit) before income tax</b>	<b>119,890</b>	<b>(100,881)</b>	<b>(25,527)</b>	<b>-</b>	<b>(2,737)</b>	<b>8,553</b>	<b>(6,753)</b>	<b>70,408</b>	<b>-</b>	<b>558</b>	<b>63,511</b>
Income tax											(21,418)
<b>Surplus/(Deficit) for the year</b>											<b>42,093</b>

\* Elimination of intra-group revenue and costs at arm's length.

\*\* Costs by output category include applicable depreciation, amortisation, net finance (expense)/income and exclude operating costs of Corporate HQ.

### Additional Segmental Disclosures

Commercial revenue of:

External customers	136,459	-	-	-	-	9,998	442	4,619	-	-	151,508
Revenue from other operating segments	609	-	-	-	-	18,472	1	40	-	(19,222)	-
	137,068	-	-	-	-	28,460	443	4,659	-	(19,222)	151,508

One customer of the Commercial reporting segment represents €35 million of the Group's total revenue, while one customer of all the reporting segments represents €191 million of the Group's total revenue.

Material non-cash items included in the reportable segment costs include:

Difference between pension charge and cash contributions	137	786	482	485	290	38	131	-	-	-	2,349
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## 2. Principal Activities and Segmental Information (continued)

(d) Revenues, costs and surplus/(deficit) by IBD (continuing operations), in line with RTE's organisation structure, year ended 31 December 2016

	REPORTABLE SEGMENTS							OTHER			Group Total €'000
	Commercial IBD €'000	Television IBD €'000	Radio IBD €'000	News & Current			Digital IBD €'000	All Other Segments €'000	DTT Related €'000	Consolidation Adjustments* €'000	
				Affairs IBD €'000	Orchestras IBD €'000	Network IBD €'000					
<b>Revenue</b>											
Advertising income	111,891	-	-	-	-	-	-	-	-	(590)	111,301
Sponsorship income	9,969	-	-	-	-	-	-	198	-	-	10,167
Facilities income	3,162	-	-	-	-	-	-	22	-	(97)	3,087
Circulation and event income	5,711	-	-	-	-	-	-	-	-	-	5,711
Transmission, mast and towers income	-	-	-	-	-	28,693	-	-	-	(18,624)	10,069
Content, merchandising and related sales	13,024	-	-	-	-	-	401	-	-	-	13,425
Other commercial revenue	281	-	-	-	-	-	-	4,236	-	(40)	4,477
Commercial revenue	144,038	-	-	-	-	28,693	401	4,456	-	(19,351)	158,237
Licence fee revenue attribution	-	72,393	29,600	54,956	12,666	-	2,721	6,112	633	-	179,081
	<b>144,038</b>	<b>72,393</b>	<b>29,600</b>	<b>54,956</b>	<b>12,666</b>	<b>28,693</b>	<b>3,122</b>	<b>10,568</b>	<b>633</b>	<b>(19,351)</b>	<b>337,318</b>
<b>Costs by output category**</b>											
<i>Programme costs - by source</i>											
In-house productions	-	(90,574)	(47,256)	(54,716)	-	-	-	-	-	511	(192,035)
Commissioned programming	-	(36,636)	(1,191)	-	-	-	-	-	-	-	(37,827)
Indigenous programming	-	(127,210)	(48,447)	(54,716)	-	-	-	-	-	511	(229,862)
Acquired programmes - Ireland	-	(3,033)	-	-	-	-	-	-	-	-	(3,033)
Acquired programmes - Overseas	-	(22,668)	-	-	-	-	-	-	-	-	(22,668)
	-	(152,911)	(48,447)	(54,716)	-	-	-	-	-	511	(255,563)
General broadcast and transmission costs	-	(22,602)	(2,388)	(240)	-	(18,556)	(3,109)	(302)	-	679	(46,518)
2rn transmission and power charges	-	(8,400)	(5,698)	-	-	-	-	(4,031)	-	18,129	-
Sales costs	(11,803)	-	-	-	-	-	-	(10)	-	72	(11,741)
Other output-related costs	(11,510)	(157)	-	-	(15,615)	-	(7,990)	(12)	(633)	520	(35,397)
	<b>(23,313)</b>	<b>(184,070)</b>	<b>(56,533)</b>	<b>(54,956)</b>	<b>(15,615)</b>	<b>(18,556)</b>	<b>(11,099)</b>	<b>(4,355)</b>	<b>(633)</b>	<b>19,911</b>	<b>(349,219)</b>
<b>Other revenues and costs</b>											
Corporate HQ	-	-	-	-	-	-	-	(7,166)	-	(50)	(7,216)
Interest payable	-	-	-	-	-	(1,152)	-	(412)	-	-	(1,564)
Interest receivable	-	-	-	-	-	-	-	13	-	-	13
Disposal of assets	-	53	6	-	4	9	-	47	-	-	119
<b>IBD Surplus/(Deficit)</b>	<b>120,725</b>	<b>(111,624)</b>	<b>(26,927)</b>	<b>-</b>	<b>(2,945)</b>	<b>8,994</b>	<b>(7,977)</b>	<b>(1,305)</b>	<b>-</b>	<b>510</b>	<b>(20,549)</b>
Net defined benefit pension related finance expense	-	-	-	-	-	-	-	1,193	-	-	1,193
<b>Surplus/(Deficit) before income tax</b>	<b>120,725</b>	<b>(111,624)</b>	<b>(26,927)</b>	<b>-</b>	<b>(2,945)</b>	<b>8,994</b>	<b>(7,977)</b>	<b>(112)</b>	<b>-</b>	<b>510</b>	<b>(19,356)</b>
Income tax											(297)
<b>Surplus/(Deficit) for the year</b>											<b>(19,653)</b>

\* Elimination of intra-group revenue and costs at arm's length.

\*\* Costs by output category include applicable depreciation, amortisation, net finance (expense)/income and exclude operating costs of Corporate HQ.

### Additional Segmental Disclosures

Commercial revenue of:

External customers	143,351	-	-	-	-	10,069	401	4,416	-	-	158,237
Revenue from other operating segments	687	-	-	-	-	18,624	-	40	-	(19,351)	-
	144,038	-	-	-	-	28,693	401	4,456	-	(19,351)	158,237

One customer of the Commercial reporting segment represents €39 million of the Group's total revenue, while one customer of all the reporting segments represents €183 million of the Group's total revenue.

Material non-cash items included in the reportable segment costs include:

Difference between pension charge and cash contributions	25	698	316	291	158	25	33	-	-	-	1,545
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# Notes forming part of the Group Financial Statements (continued)

## 2. Principal Activities and Segmental Information (continued) (e) Analysis of revenues, costs and (deficit)/surplus by channel, service and broadcasting genre and between public-service and non-public-service activities, year ended 31 December 2017

	RTÉ One €'000	RTÉ2 €'000	RTÉ Radio 1 €'000	RTÉ 2fm €'000	RTÉ lyric fm €'000	RTÉ RnaG €'000	RTÉ Support €'000	RTÉ Orchestras €'000	Corporate HQ €'000	DTT Related €'000	Online Services €'000	Other Channels €'000	Consolidation Other Adjustments €'000	Group Total €'000
<b>PUBLIC-SERVICE ACTIVITIES</b>														
Indigenous programme costs														
In-house productions	(79,264)	(34,168)	(31,960)	(10,745)	(5,120)	(10,109)	(6,048)	-	-	-	(4,136)	(76)	-	501 (181,126)
Commissioned programming	(27,593)	(9,327)	(1,001)	(13)	(96)	(82)	(1,459)	-	-	-	(457)	(849)	-	(40,877)
	(106,857)	(43,495)	(32,961)	(10,758)	(5,216)	(10,191)	(7,507)	-	-	-	(4,593)	(925)	-	501 (222,002)
<b>Programme costs - by genre</b>														
Arts	(1,076)	-	(1,848)	-	(249)	(51)	-	-	-	-	-	-	-	1 (3,223)
Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Religious	(2,401)	(2)	(139)	-	-	(109)	-	-	-	-	-	-	-	(2,651)
Other factual	(21,025)	(5,712)	(2,374)	-	(135)	(1,311)	-	-	-	-	(138)	-	-	(30,634)
Factual	(24,502)	(5,714)	(4,361)	-	(384)	(1,471)	-	-	-	-	(138)	-	-	(36,508)
Drama	(23,393)	(265)	(565)	-	-	(6)	(360)	-	-	-	(147)	-	-	(24,736)
Entertainment	(20,947)	(1,889)	(3,612)	(4,204)	(563)	(873)	(1,239)	-	-	-	(1,404)	-	-	(34,120)
Music	(887)	(626)	(6,038)	(4,085)	(3,662)	(1,745)	-	-	-	-	(100)	-	-	(17,100)
News, Current Affairs and Weather	(34,820)	(100)	(14,836)	(2,001)	(551)	(4,740)	(5,112)	-	-	-	(1,740)	-	-	(63,531)
Sport	(2,897)	(33,003)	(3,549)	(468)	-	(1,171)	(11)	-	-	-	(995)	-	-	(42,080)
Young People's	(11)	(1,898)	-	-	(56)	(185)	(785)	-	-	-	(169)	-	-	(3,927)
Indigenous programming	(106,857)	(43,495)	(32,961)	(10,758)	(5,216)	(10,191)	(7,507)	-	-	(15,722)	(4,593)	(925)	-	501 (222,002)
Indigenous non-broadcast output costs	-	-	-	-	-	-	-	-	-	(1,061)	(9,997)	(10)	-	301 (26,489)
Acquired programmes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Ireland	(1,817)	(260)	-	-	-	-	-	-	-	-	-	-	-	(2,077)
- Overseas	(13,285)	(11,612)	-	-	-	-	-	-	-	-	(419)	(147)	-	(25,463)
General broadcast and transmission costs	(12,191)	(11,178)	(2,692)	(500)	(407)	(288)	(51)	-	-	-	(611)	-	25	(27,893)
2fm transmission and power charges	(2,588)	(2,778)	(2,004)	(1,097)	(1,111)	(1,097)	-	-	-	-	(3,533)	-	-	(14,208)
Corporate HQ	-	-	-	-	-	-	-	(4,902)	-	-	-	-	-	(4,952)
Net interest payable	-	-	-	-	-	-	-	(285)	-	-	-	-	-	(285)
Net defined benefit pension related finance expense	-	-	-	-	-	-	-	541	-	-	-	-	-	541
<b>Gross Cost of Public-Service Activities</b>	<b>(136,738)</b>	<b>(69,323)</b>	<b>(37,657)</b>	<b>(12,355)</b>	<b>(6,734)</b>	<b>(11,576)</b>	<b>(7,558)</b>	<b>(15,722)</b>	<b>(4,646)</b>	<b>(1,061)</b>	<b>(15,009)</b>	<b>(5,226)</b>	<b>-</b>	<b>777 (322,828)</b>
<b>Surplus on Commercial Activities</b>	<b>60,741</b>	<b>21,109</b>	<b>15,982</b>	<b>4,421</b>	<b>451</b>	<b>-</b>	<b>-</b>	<b>2,737</b>	<b>294</b>	<b>-</b>	<b>6,366</b>	<b>-</b>	<b>18,493</b>	<b>(219) 130,375</b>
<b>Distribution of Non-Channel Specific Contribution from Non-Public-Service Activities</b>														
<b>Net Cost of Public-Service Activities Before Attribution of Public Funding</b>	<b>(66,669)</b>	<b>(43,486)</b>	<b>(19,106)</b>	<b>(7,091)</b>	<b>(6,283)</b>	<b>(11,576)</b>	<b>(7,558)</b>	<b>(12,985)</b>	<b>(4,352)</b>	<b>(1,061)</b>	<b>(7,619)</b>	<b>(5,226)</b>	<b>-</b>	<b>558 (192,453)</b>
<b>Public Funding</b>	<b>63,453</b>	<b>41,388</b>	<b>18,184</b>	<b>6,749</b>	<b>6,283</b>	<b>11,576</b>	<b>7,558</b>	<b>12,985</b>	<b>4,352</b>	<b>1,061</b>	<b>7,253</b>	<b>5,226</b>	<b>-</b>	<b>186,068</b>
Exceptional item	-	-	-	-	-	-	-	-	-	-	-	-	-	69,896
<b>Surplus/(Deficit) before income tax</b>	<b>(3,216)</b>	<b>(2,097)</b>	<b>(922)</b>	<b>(342)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(366)</b>	<b>-</b>	<b>69,896</b>	<b>63,511</b>
Income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	(21,418)
<b>Surplus/(Deficit) for the year</b>	<b>(3,216)</b>	<b>(2,097)</b>	<b>(922)</b>	<b>(342)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(366)</b>	<b>-</b>	<b>48,478</b>	<b>42,093</b>

External commercial revenue includes €3.0 million from sales outside of the Republic of Ireland, primarily generated in the UK.

## 2. Principal Activities and Segmental Information (continued)

(e) Analysis of revenues, costs and surplus/(deficit) by channel, service and broadcasting genre and between public-service and non-public-service activities, year ended 31 December 2016

	RTÉ One €'000	RTÉ2 €'000	RTÉ Radio1 €'000	RTÉ 2fm €'000	RTÉ Lyric fm €'000	RTÉ RnaG €'000	RTÉ Support €'000	TG4 Orchestras €'000	RTÉ Corporate HQ €'000	DTT Related €'000	Online Services €'000	Other Channels €'000	Consolidation Adjustments €'000	Group Total €'000
<b>PUBLIC-SERVICE ACTIVITIES</b>														
Indigenous programme costs														
In-house productions	(85,890)	(38,317)	(31,893)	(10,619)	(5,025)	(10,077)	(6,229)	-	-	-	(4,360)	(135)	511	(192,034)
Commissioned programming	(25,860)	(9,312)	(976)	(46)	(91)	(79)	(1,366)	-	-	-	(98)	-	-	(37,828)
	(111,750)	(47,629)	(32,869)	(10,665)	(5,116)	(10,156)	(7,595)	-	-	-	(4,458)	(135)	511	(229,862)
<b>Programme costs - by genre</b>														
Arts	(1,750)	-	(1,957)	-	(243)	(1)	-	-	-	-	-	-	-	(3,951)
Education	(96)	-	-	-	-	(9)	-	-	-	-	-	-	-	(105)
Religious	(2,086)	(61)	(168)	-	-	(112)	-	-	-	-	-	-	-	(2,427)
Other factual	(22,159)	(3,372)	(2,105)	-	(144)	(1,310)	-	-	-	-	(91)	-	61	(29,120)
Factual	(26,091)	(3,433)	(4,230)	-	(387)	(1,432)	-	-	-	-	(91)	-	61	(35,608)
Drama	(21,123)	(124)	(591)	(4,185)	(528)	(80)	(388)	-	-	-	(29)	-	-	(22,257)
Entertainment	(18,402)	(4,827)	(3,555)	(4,185)	(528)	(880)	(1,161)	-	-	-	(1,146)	-	11	(34,673)
Music	(972)	(414)	(5,754)	(4,035)	(3,635)	(1,795)	-	-	-	-	-	-	43	(16,562)
News, Current Affairs and Weather	(36,332)	(479)	(14,951)	(1,947)	(521)	(4,648)	(5,236)	-	-	-	(1,803)	-	364	(65,553)
Sport	(8,830)	(32,656)	(3,788)	(498)	-	(1,214)	(7)	-	-	-	(1,134)	-	30	(48,097)
Young People's	-	(5,696)	-	-	(45)	(185)	(803)	-	-	-	(255)	(135)	2	(7,117)
Indigenous programming	(111,750)	(47,629)	(32,869)	(10,665)	(5,116)	(10,156)	(7,595)	-	-	(633)	(4,458)	(135)	511	(229,862)
Indigenous non-broadcast output costs	-	-	-	-	-	-	-	(15,615)	-	-	(7,466)	(12)	365	(23,361)
Acquired programmes														
- Ireland	(2,774)	(259)	-	-	-	-	-	-	-	-	-	-	-	(3,033)
- Overseas	(12,269)	(10,302)	-	-	-	-	-	-	-	-	-	(97)	-	(22,668)
General broadcast and transmission costs	(13,063)	(11,452)	(1,803)	(528)	(333)	(305)	(61)	-	-	-	-	(799)	23	(28,321)
2m transmission and power charges	(2,723)	(2,868)	(2,049)	(1,088)	(1,096)	(1,082)	-	-	-	-	-	(3,200)	-	(14,096)
Corporate HQ	-	-	-	-	-	-	-	(7,166)	-	-	-	-	(50)	(7,216)
Net interest payable	-	-	-	-	-	-	-	(399)	-	-	-	-	-	(399)
Net defined benefit pension related finance expense	-	-	-	-	-	-	-	1,193	-	-	-	-	-	1,193
<b>Gross Cost of Public-Service Activities</b>	<b>(142,579)</b>	<b>(72,500)</b>	<b>(36,721)</b>	<b>(12,281)</b>	<b>(6,545)</b>	<b>(11,543)</b>	<b>(7,656)</b>	<b>(15,615)</b>	<b>(6,372)</b>	<b>(633)</b>	<b>(11,924)</b>	<b>(4,243)</b>	<b>849</b>	<b>(327,763)</b>
<b>Surplus on Commercial Activities</b>	<b>63,288</b>	<b>22,835</b>	<b>14,843</b>	<b>5,826</b>	<b>508</b>	<b>-</b>	<b>-</b>	<b>2,949</b>	<b>260</b>	<b>-</b>	<b>5,965</b>	<b>-</b>	<b>13,191</b>	<b>129,326</b>
<b>Distribution of Non-Channel Specific Contribution from Non-Public-Service Activities</b>	<b>6,820</b>	<b>3,469</b>	<b>1,754</b>	<b>580</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>568</b>	<b>-</b>	<b>(13,191)</b>	<b>-</b>
<b>Net Cost of Public-Service Activities Before Attribution of Public Funding</b>	<b>(72,471)</b>	<b>(46,196)</b>	<b>(20,124)</b>	<b>(5,875)</b>	<b>(6,037)</b>	<b>(11,543)</b>	<b>(7,656)</b>	<b>(12,666)</b>	<b>(6,112)</b>	<b>(633)</b>	<b>(5,391)</b>	<b>(4,243)</b>	<b>510</b>	<b>(198,437)</b>
<b>Public Funding</b>														
Licence fee revenue attribution	62,877	40,080	17,460	5,097	6,037	11,543	7,656	12,666	6,112	633	4,677	4,243	-	179,081
<b>Deficit before income tax</b>	<b>(9,594)</b>	<b>(6,116)</b>	<b>(2,664)</b>	<b>(778)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(714)</b>	<b>-</b>	<b>510</b>	<b>(19,356)</b>
Income tax	-	-	-	-	-	-	-	-	-	-	-	-	(297)	-
<b>Deficit for the year</b>	<b>(9,594)</b>	<b>(6,116)</b>	<b>(2,664)</b>	<b>(778)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(714)</b>	<b>-</b>	<b>(297)</b>	<b>(19,653)</b>

External commercial revenue includes €30 million from sales outside of the Republic of Ireland, primarily generated in the UK.

# Notes forming part of the Group Financial Statements (continued)

## 2. Principal Activities and Segmental Information (continued)

(f) Assets, liabilities and other information by IBD (continuing operations), in line with RTÉ's organisational structure

	Commercial IBD €'000	Television IBD €'000	Radio IBD €'000	News & Current Affairs IBD €'000	Network IBD €'000	Digital IBD €'000	Orchestras IBD €'000	Unallocated <sup>1</sup> €'000	Group Total €'000
<b>Year ended 31 December 2017</b>									
Segment assets	36,943	65,327	2,272	2,128	59,305	3,423	319	-	169,717
Unallocated assets	-	-	-	-	-	-	-	152,215	152,215
<b>Total Assets</b>	<b>36,943</b>	<b>65,327</b>	<b>2,272</b>	<b>2,128</b>	<b>59,305</b>	<b>3,423</b>	<b>319</b>	<b>152,215</b>	<b>321,932</b>
Segment liabilities	(18,968)	(31,175)	(1,063)	(3,278)	(54,514)	(6,268)	(362)	-	(115,628)
Unallocated liabilities	-	-	-	-	-	-	-	(97,192)	(97,192)
<b>Total Liabilities</b>	<b>(18,968)</b>	<b>(31,175)</b>	<b>(1,063)</b>	<b>(3,278)</b>	<b>(54,514)</b>	<b>(6,268)</b>	<b>(362)</b>	<b>(97,192)</b>	<b>(212,820)</b>
<b>Capital expenditure</b>	<b>187</b>	<b>859</b>	<b>629</b>	<b>495</b>	<b>4,406</b>	<b>2,712</b>	<b>69</b>	<b>458</b>	<b>9,815</b>
<b>Depreciation of property, plant and equipment</b>	<b>42</b>	<b>3,938</b>	<b>509</b>	<b>1,176</b>	<b>6,020</b>	<b>251</b>	<b>100</b>	<b>(544)</b>	<b>11,492</b>
<b>Amortisation of intangible assets</b>	<b>21</b>	<b>478</b>	<b>11</b>	<b>69</b>	<b>29</b>	<b>171</b>	<b>-</b>	<b>59</b>	<b>838</b>
<b>Year ended 31 December 2016</b>									
Segment assets	37,088	61,245	2,345	3,167	61,564	1,744	744	-	167,897
Unallocated assets	-	-	-	-	-	-	-	40,155	40,155
<b>Total Assets</b>	<b>37,088</b>	<b>61,245</b>	<b>2,345</b>	<b>3,167</b>	<b>61,564</b>	<b>1,744</b>	<b>744</b>	<b>40,155</b>	<b>208,052</b>
Segment liabilities	(18,944)	(32,492)	(1,569)	(2,269)	(55,914)	(4,516)	(518)	-	(116,222)
Unallocated liabilities	-	-	-	-	-	-	-	(51,755)	(51,755)
<b>Total Liabilities</b>	<b>(18,944)</b>	<b>(32,492)</b>	<b>(1,569)</b>	<b>(2,269)</b>	<b>(55,914)</b>	<b>(4,516)</b>	<b>(518)</b>	<b>(51,755)</b>	<b>(167,797)</b>
Capital expenditure	195	3,124	822	1,016	1,878	160	29	29	7,253
Depreciation of property, plant and equipment	132	4,110	595	1,515	6,064	360	106	(550)	12,332
Amortisation of intangible assets	44	749	41	43	107	245	1	-	1,230

<sup>1</sup> Unallocated assets principally comprise pension, cash and liquid investments. Unallocated liabilities principally comprise tax and other financial liabilities together with employee benefits.

Total non-current assets contain €0.1 million situated outside of the Republic of Ireland in 2017 (2016: €0.1 million).

## 2. Principal Activities and Segmental Information (continued)

### (g) Analysis of network charges to all RTÉ services

	2017 €'000	2016 €'000
RTÉ One	2,863	2,988
RTÉ2	2,789	2,866
RTÉ Radio 1	2,044	2,097
RTÉ 2fm	1,113	1,100
RTÉ lyric fm	1,122	1,107
RTÉ Raidió na Gaeltachta	1,204	1,190
Other	3,533	3,200
	<b>14,667</b>	14,548

### 3. Operating Costs (before depreciation, amortisation and gain on disposal of assets)

	2017 €'000	2016 €'000
Employee costs (note 7)	152,253	153,223
Other personnel-related costs (including contractors)	30,159	32,558
Personnel-Related Operating Costs	<b>182,411</b>	185,781
Direct commissioned programme costs	38,620	35,810
Direct acquired programme costs	27,356	25,779
Sports and other copyrights	18,714	21,594
Outside broadcast contracts	5,268	5,892
Communication circuits	3,190	3,713
RTÉ Guide printing and related costs	1,408	1,493
Network electricity	2,299	2,261
Music licences	7,704	8,013
Insurance policies	1,938	1,376
Staff travel and subsistence	3,331	4,411
Other third-party costs	42,280	47,325
Non-Personnel-Related Operating Costs before depreciation and amortisation	<b>152,108</b>	157,667
<b>Total Operating Costs (before depreciation and amortisation and exceptional items)</b>	<b>334,520</b>	343,448

# Notes forming part of the Group Financial Statements (continued)

## 4. Finance (Income)/Expense

	2017 €'000	2016 €'000
Interest income on bank deposits	(1)	(13)
Fair value gains on derivative financial instruments not designated as cash flow hedges	-	(575)
Finance Income	-	(588)
Interest income on scheme assets (note 21)	(17,703)	(23,752)
Interest cost on scheme liabilities (note 21)	17,162	22,559
Net defined benefit pension related finance income	(541)	(1,193)
<b>Finance income recognised in Income Statement</b>	<b>(542)</b>	<b>(1,781)</b>
Interest and finance costs on borrowings	1,117	1,186
Cash flow hedge – reclassified from Other Comprehensive Income	218	187
Unwind of discount on restructuring costs	94	191
Fair value losses on derivative financial instruments not designated as cash flow hedges	1,228	-
<b>Finance expense recognised in Income Statement</b>	<b>2,657</b>	<b>1,564</b>

## 5. Surplus/(Deficit) Before Income Tax

(a) The surplus/(deficit) before income tax includes the following amounts:

	2017 €'000	2016 €'000
Depreciation and amortisation		
- Depreciation of property, plant and equipment	11,500	12,332
- Amortisation of grant-aided assets	(8)	-
- Amortisation of intangible assets	838	1,230
	12,330	13,562
Operating costs		
- Gain on disposal of property, plant and equipment and intangible assets	(5,004)	(119)

## 5. Surplus/(Deficit) Before Income Tax (continued)

### (b) Auditors' remuneration:

	2017 €'000	2016 €'000
Group		
Audit of the financial statements (including expenses)	114	114
Other assurance services	106	108
Tax advisory services	223	181
Other non-audit services	195	105
	638	508

	2017 €'000	2016 €'000
RTÉ		
Audit of the financial statements (including expenses)	90	90
Other assurance services	75	78
Tax advisory services	199	96
Other non-audit services	192	102
	556	366

### (c) Directors' remuneration:

	2017 €'000	2016 €'000
Fees <sup>1</sup>	157	146
Other remuneration including retirement benefit contributions	338	368
	495	514

<sup>1</sup> In addition to Board fees, Aengus Mac Grianna was paid as an employee of RTÉ.

Further details on Board fees can be found in the Corporate Governance section.

# Notes forming part of the Group Financial Statements (continued)

## 6. Exceptional Items

Exceptional items are those items which, in the judgement of the Board, need to be disclosed separately by virtue of their scale and nature. These exceptional items, detailed below, could distort the understanding of the underlying performance for the year and comparability between periods and are therefore presented separately.

	2017	2016
	€'000	€'000
Gain on disposal of property	<b>(104,651)</b>	-
Sales-enabling project costs	<b>5,166</b>	-
Restructuring and other charges	<b>29,591</b>	-
	<b>(69,896)</b>	-

In July 2017, RTÉ concluded the sale of 8.64 acres of land at Donnybrook for €107,500,000 which, after direct transactional costs, gave rise to a gain on disposal of asset of €104,651,000. To deliver the lands unencumbered to the purchaser, a series of sales-enabling projects were required to be carried out, both pre-sale and subsequent to the sale. These infrastructural projects included the building of a new entrance to the RTÉ campus from the R138 and the relocation of existing activities to the Nutley end of the site. At 31 December 2017, sales-enabling project costs of €5,166,000 have been expensed in the Income Statement and €1,718,000 have been capitalised as assets. In total sales-enabling project costs of €10 million are expected to be incurred with the balance of costs to be incurred in 2018.

In 2017, the gain on the land sale, net of sales-enabling costs, before tax was €99,485,000, which was recorded as an exceptional item.

As part of the overall restructuring to 'One RTÉ' announced by the Director-General in 2017, and to reduce the operating cost base, RTÉ has set a target to reduce overall staffing levels by between 200 and 300 people and deliver ongoing annual sustainable savings. A key element of the restructuring programme was the launch of the voluntary exit programme (VEP) in September 2017, which included both retirement and redundancy options. At 31 December 2017, a charge of €29,591,000 was recorded in the Income Statement. Restructuring and other charges include the cost of the benefits provided to individuals leaving under the VEP, professional fees and advisory services costs relating to the VEP, the net change in amounts relating to pension reimbursements to the RTÉ Superannuation Scheme, the organisational design and other professional advisory services.

## 7. Employee Information

Group staff costs during the year amounted to:

	2017	2016
	€'000	€'000
Wages and salaries	<b>125,189</b>	127,590
Social welfare costs	<b>11,364</b>	11,148
Pension costs and life assurance	<b>15,700</b>	14,485
	<b>152,253</b>	153,223



## 7. Employee Information (continued)

The total number of full-time, part-time and casual employees of the Group at 31 December, and their full-time equivalent (FTE) were:

	No. of employees		FTEs	
	2017	2016	2017	2016
RTÉ Group	<b>1,924</b>	1,984	<b>1,746</b>	1,834

The average annual number of full-time, part-time and casual employees during the year was:

	2017	2016
Average full-time employees	<b>1,653</b>	1,706
Average part-time employees	<b>144</b>	137
Average casual employees	<b>141</b>	145
RTÉ Group	<b>1,938</b>	1,988

## 8. Income Tax

	2017 €'000	2016 €'000
<b>Current Tax Expense</b>		
Current year	<b>21,018</b>	-
<b>Deferred Tax Expense</b>		
Origination and reversal of temporary differences (note 22)	<b>400</b>	297
<b>Total Income Tax Expense</b>	<b>21,418</b>	297

Corporation tax payable in the year arises primarily due to RTÉ's property-related activities.

# Notes forming part of the Group Financial Statements (continued)

## 8. Income Tax (continued)

<b>Reconciliation of Effective Tax Rate</b>	<b>2017</b>	<b>2016</b>
	<b>€'000</b>	<b>€'000</b>
Surplus/(Deficit) before income tax	<b>63,511</b>	(19,356)
Surplus/(Deficit) before income tax multiplied by the standard rate of corporation tax in Ireland of 12.5% (2016: 12.5%)	<b>7,939</b>	(2,420)
Effects of:		
Income taxable at a higher rate of tax	<b>13,026</b>	4
Non-recognition of deferred tax on current year tax losses	-	2,477
Withholding tax	<b>10</b>	-
Pension timing differences	<b>232</b>	51
Other differences	<b>(346)</b>	138
Losses utilised including group relief surrendered	<b>(189)</b>	
Disallowed expenses	<b>746</b>	47
<b>Total Income Tax Expense</b>	<b>21,418</b>	297
<b>Deferred Tax Recognised directly in Other Comprehensive Income</b>		
Relating to pension asset (note 22)	<b>(2,731)</b>	(2,211)
Relating to cash flow hedge (note 22)	<b>(21)</b>	(20)
	<b>(2,752)</b>	(2,231)

Television licence fee income that RTÉ receives by way of 'grant-in-aid' is subject to corporation tax with effect from 1 January 2007. The Group has trading losses forward for tax purposes of €647 million at 31 December 2017. Due to the uncertainty surrounding when these losses may ultimately be utilised, no deferred tax asset has been recognised.

## 9. Property, Plant and Equipment

Group	Land and buildings €'000	Plant and equipment €'000	Fixtures and fittings €'000	Capital projects in progress €'000	Total €'000
<b>Cost</b>					
Balance at 1 January 2016	70,307	187,877	2,097	7,762	268,043
Additions	-	-	-	6,158	6,158
Reclassifications	1,299	7,198	39	(8,536)	-
Disposals and retirements	(71)	(2,299)	-	-	(2,370)
Balance at 31 December 2016	71,535	192,776	2,136	5,384	271,831
Balance at 1 January 2017	71,535	192,776	2,136	5,384	271,831
Additions	-	-	-	7,785	7,785
Reclassifications	607	3,975	15	(4,598)	-
Disposals and retirements	(10,665)	(29,609)	(128)	-	(40,403)
<b>Balance at 31 December 2017</b>	<b>61,477</b>	<b>167,142</b>	<b>2,022</b>	<b>8,573</b>	<b>239,214</b>
<b>Depreciation</b>					
Balance at 1 January 2016	59,262	130,640	1,822	-	191,724
Depreciation for the year	1,291	10,937	104	-	12,332
Disposals and retirements	(71)	(2,291)	-	-	(2,362)
Balance at 31 December 2016	60,482	139,286	1,926	-	201,694
Balance at 1 January 2017	60,482	139,286	1,926	-	201,694
Depreciation for the year	1,775	9,655	70	-	11,500
Disposals and retirements	(10,362)	(29,605)	(128)	-	(40,095)
<b>Balance at 31 December 2017</b>	<b>51,895</b>	<b>119,336</b>	<b>1,868</b>	<b>-</b>	<b>173,099</b>
<b>Net Book Value</b>					
At 31 December 2016	11,053	53,490	210	5,384	70,137
<b>At 31 December 2017</b>	<b>9,582</b>	<b>47,805</b>	<b>155</b>	<b>8,573</b>	<b>66,114</b>

# Notes forming part of the Group Financial Statements (continued)

## 9. Property, Plant and Equipment (continued)

RTÉ	Land and buildings €'000	Plant and equipment €'000	Fixtures and fittings €'000	Capital projects in progress €'000	Total €'000
<b>Cost</b>					
Balance at 1 January 2016	60,458	86,255	1,890	4,938	153,541
Additions	-	-	-	4,298	4,298
Reclassifications	224	5,610	39	(5,873)	-
Disposals and retirements	(19)	(460)	-	-	(479)
Transfers between entities	-	702	-	105	807
Balance at 31 December 2016	60,663	92,107	1,929	3,468	158,167
Balance at 1 January 2017	60,663	92,107	1,929	3,468	158,167
Additions	-	-	-	3,395	3,395
Reclassifications	507	3,160	15	(3,682)	-
Disposals and retirements	(10,653)	(25,479)	(120)	-	(36,252)
<b>Balance at 31 December 2017</b>	<b>50,517</b>	<b>69,789</b>	<b>1,824</b>	<b>3,181</b>	<b>125,310</b>
<b>Depreciation</b>					
Balance at 1 January 2016	54,540	77,180	1,766	-	133,486
Depreciation for the year	885	5,778	84	-	6,747
Disposals and retirements	(19)	(457)	-	-	(476)
Transfers between entities	-	458	-	-	458
Balance at 31 December 2016	55,406	82,959	1,850	-	140,215
Balance at 1 January 2017	55,406	82,959	1,850	-	140,215
Depreciation for the year	1,322	4,669	51	-	6,042
Disposals and retirements	(10,352)	(25,479)	(120)	-	(35,951)
<b>Balance at 31 December 2017</b>	<b>46,376</b>	<b>62,149</b>	<b>1,781</b>	<b>-</b>	<b>110,306</b>
<b>Net Book Value</b>					
At 31 December 2016	5,257	9,148	79	3,468	17,952
<b>At 31 December 2017</b>	<b>4,140</b>	<b>7,640</b>	<b>43</b>	<b>3,181</b>	<b>15,004</b>

## 10. Intangible Assets

Group	Software €'000	Software projects in progress €'000	Total €'000
<b>Cost</b>			
Balance at 1 January 2016	15,092	336	15,428
Additions	-	1,095	1,095
Reclassifications	757	(757)	-
Disposals and retirements	-	-	-
Balance at 31 December 2016	15,849	674	16,523
Balance at 1 January 2017	15,849	674	16,523
Additions	-	2,030	2,030
Reclassifications	1,096	(1,096)	-
Disposals and retirements	(4,846)	-	(4,846)
<b>Balance at 31 December 2017</b>	<b>12,099</b>	<b>1,608</b>	<b>13,707</b>
<b>Amortisation and impairment losses</b>			
Balance at 1 January 2016	13,273	-	13,273
Amortisation for the year	1,230	-	1,230
Disposals and retirements	-	-	-
Balance at 31 December 2016	14,503	-	14,503
Balance at 1 January 2017	14,503	-	14,503
Amortisation for the year	838	-	838
Disposals and retirements	(4,846)	-	(4,846)
<b>Balance at 31 December 2017</b>	<b>10,494</b>	<b>-</b>	<b>10,494</b>
<b>Net Book Value</b>			
At 31 December 2016	1,346	674	2,020
<b>At 31 December 2017</b>	<b>1,604</b>	<b>1,608</b>	<b>3,212</b>

# Notes forming part of the Group Financial Statements (continued)

## 10. Intangible Assets (continued)

RTÉ	Software €'000	Software projects in progress €'000	Total €'000
<b>Cost</b>			
Balance at 1 January 2016	11,781	198	11,979
Additions	-	1,095	1,095
Reclassifications	757	(757)	-
Disposals and retirements	-	-	-
Transfers between entities	920	68	988
Balance at 31 December 2016	13,458	604	14,062
Balance at 1 January 2017	13,458	604	14,062
Additions	-	2,100	2,100
Reclassifications	1,096	(1,096)	-
Disposals and retirements	-	-	-
<b>Balance at 31 December 2017</b>	<b>14,554</b>	<b>1,608</b>	<b>16,162</b>
<b>Amortisation and impairment losses</b>			
Balance at 1 January 2016	10,445	-	10,445
Amortisation for the year	1,126	-	1,126
Disposals and retirements	-	-	-
Transfers between entities	610	-	610
Balance at 31 December 2016	12,181	-	12,181
Balance at 1 January 2017	12,181	-	12,181
Amortisation for the year	808	-	808
Disposals and retirements	-	-	-
<b>Balance at 31 December 2017</b>	<b>12,989</b>	<b>-</b>	<b>12,989</b>
<b>Net Book Value</b>			
At 31 December 2016	1,277	604	1,881
<b>At 31 December 2017</b>	<b>1,563</b>	<b>1,608</b>	<b>3,171</b>

## 11. Inventories

	Group		RTÉ	
	2017	2016	2017	2016
	€'000	€'000	€'000	€'000
<b>Work in progress</b>				
In-house programmes	<b>1,128</b>	1,048	<b>1,096</b>	1,017
Commissioned programmes	<b>16,300</b>	16,382	<b>16,300</b>	16,382
<b>Finished programmes</b>				
Acquired programmes and films	<b>13,815</b>	14,606	<b>13,815</b>	14,606
In-house programmes	<b>333</b>	228	<b>333</b>	228
Commissioned programmes	<b>3,163</b>	3,107	<b>3,163</b>	3,107
Other inventories	<b>132</b>	56	-	-
	<b>34,871</b>	35,427	<b>34,708</b>	35,340

Inventories consumed during the year ended 31 December 2017 total €75.8 million (2016: €77.4 million).

Other inventories relate to printing paper held in respect of the *RTÉ Guide*.

## 12. Trade and Other Receivables

	Group		RTÉ	
	2017	2016	2017	2016
	€'000	€'000	€'000	€'000
<b>Current Assets</b>				
Trade receivables	<b>39,438</b>	40,310	<b>34,913</b>	34,053
Other receivables	<b>56</b>	30	<b>55</b>	28
	<b>39,494</b>	40,340	<b>34,969</b>	34,081

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in note 23.

## 13. Liquid Investments

	Group		RTÉ	
	2017	2016	2017	2016
	€'000	€'000	€'000	€'000
Liquid investments - term deposits	<b>36,993</b>	1,000	<b>36,993</b>	1,000
Weighted average interest rate on term deposits	<b>-0.08%</b>	0.03%	<b>-0.08%</b>	0.03%

The Group's exposure to interest rate risk, credit risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 23.

# Notes forming part of the Group Financial Statements (continued)

## 14. Cash and Cash Equivalents

	Group		RTÉ	
	2017 €'000	2016 €'000	2017 €'000	2016 €'000
<b>Current Assets</b>				
Bank balances	<b>70,126</b>	10,205	<b>59,008</b>	7,197
Call deposits	-	6,493	-	6,001
Total cash and cash equivalents	<b>70,126</b>	16,698	<b>59,008</b>	13,198
Weighted average interest rate	<b>0.08%</b>	0.03%	<b>0.08%</b>	0.03%

Bank balances include €5.68 million (2016: €5.10 million) in respect of amounts held in the Independent Programmes account in accordance with Section 116 of the Broadcasting Act 2009.

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 23.

## 15. Interest-bearing Loans and Borrowings

	Interest rate %	Maturity	Group		RTÉ	
			2017 €'000	2016 €'000	2017 €'000	2016 €'000
Amortising term loan facility	Lender cost of funds plus margin	29 June 2017	-	1,875	-	1,875
Revolving credit facility	Lender cost of funds plus margin	28 January 2021	-	3,000	-	3,000
Project loan and term loan facility	EURIBOR plus margin	18 June 2019	<b>49,500</b>	53,000	-	-
			<b>49,500</b>	57,875	-	4,875
Analysed as follows:						
Non-Current			<b>45,000</b>	52,500	-	3,000
Current			<b>4,500</b>	5,375	-	1,875
			<b>49,500</b>	57,875	-	4,875

On 28 January 2016, RTÉ entered into a revolving credit facility with Bank of Ireland amounting to €15 million for working capital purposes. At 31 December 2017 nil (2016: €3 million) has been drawn down.

The Group has a project loan facility agreement, through its subsidiary 2rn, with Barclays Bank Ireland PLC amounting to €53 million in aggregate, representing a facility of €40 million, which is fully drawn, and a balance of €9.5 million, which was fully drawn down at 31 December 2016. During 2015, an interest rate swap was entered into in respect of the €40 million project loan facility, until the maturity of the facility in June 2019. This derivative financial instrument was designated as a cash flow hedge and, in accordance with the accounting policies, hedge accounting has been applied.



## 15. Interest-bearing Loans and Borrowings (continued)

### Lender security – project loan facility

It was one of the conditions to the availability of the project loan facility that 2rn execute a security deed agreement and provide the lender security as follows:

- a) Lands of 13 main DTT transmission sites;
- b) All 2rn present and future fixtures and fittings on the DTT transmission sites;
- c) All 2rn rental income and occupational leases;
- d) Rights and benefits of 2rn insurance policies;
- e) The insurance proceeds account; and
- f) Deeds of Assignment creating security assignments in respect of certain commercial contracts and DTT Construction Contracts.

RTÉ has entered an undertaking to pay to 2rn by way of a loan an amount equal to any interest and/or fees falling due under the loan facility agreement should 2rn not have sufficient funds to do so. The undertaking is subject to specific terms and conditions which determine when this obligation arises.

## 16. Trade and Other Payables

	Group		RTÉ	
	2017	2016	2017	2016
	€'000	€'000	€'000	€'000
Trade payables	<b>9,275</b>	6,906	<b>7,379</b>	5,789
Amounts owed to subsidiary entities	-	-	<b>163,978</b>	167,612
Accruals	<b>67,403</b>	60,775	<b>63,105</b>	56,617
Deferred income	<b>7,388</b>	7,271	<b>4,127</b>	3,446
	<b>84,066</b>	74,952	<b>238,589</b>	233,464
<b>Analysed as follows:</b>				
Non-current liabilities	<b>3,858</b>	2,515	<b>3,858</b>	2,515
Current liabilities	<b>80,208</b>	72,437	<b>234,731</b>	230,949
	<b>84,066</b>	74,952	<b>238,589</b>	233,464

The Group's exposure to currency risk related to trade and other payables is disclosed in note 23.

# Notes forming part of the Group Financial Statements (continued)

## 17. Taxation and Social Welfare

	Group		RTÉ	
	2017 €'000	2016 €'000	2017 €'000	2016 €'000
VAT	<b>5,388</b>	5,695	<b>4,812</b>	4,893
Payroll	<b>5,273</b>	4,076	<b>5,188</b>	4,007
Other taxes	<b>21,007</b>	1	<b>19,229</b>	-
	<b>31,669</b>	9,772	<b>29,228</b>	8,900

## 18. Employee Benefits

### (a) Total employee benefits

	Group		RTÉ	
	2017 €'000	2016 €'000	2017 €'000	2016 €'000
Restructuring costs (b)	<b>23,055</b>	12,895	<b>22,990</b>	12,895
Other payroll-related accruals (c)	<b>7,151</b>	6,467	<b>6,892</b>	6,191
Total employee benefits	<b>30,206</b>	19,362	<b>29,882</b>	19,086

#### Analysed as follows:

Non-current liabilities	<b>5,878</b>	10,173	<b>5,636</b>	10,027
Current liabilities	<b>24,328</b>	9,189	<b>24,246</b>	9,059
	<b>30,206</b>	19,362	<b>29,882</b>	19,086

### (b) Restructuring costs

	Group		RTÉ	
	2017 €'000	2016 €'000	2017 €'000	2016 €'000
Balance at beginning of year	<b>12,895</b>	15,399	<b>12,895</b>	15,399
Charged during the year	<b>26,681</b>	1,731	<b>26,573</b>	1,731
Utilised during the year	<b>(16,615)</b>	(4,426)	<b>(16,572)</b>	(4,426)
Interest charge (note 4)	<b>94</b>	191	<b>94</b>	191
Balance at end of year	<b>23,055</b>	12,895	<b>22,990</b>	12,895

#### Analysed as follows:

Non-current	<b>2,653</b>	6,940	<b>2,589</b>	6,940
Current	<b>20,401</b>	5,955	<b>20,401</b>	5,955
Balance at end of year	<b>23,055</b>	12,895	<b>22,990</b>	12,895

The restructuring costs at 31 December 2017 represent the discounted value of future payments required in respect of the Group's remaining obligations, which will be paid until 2026, under the various restructuring schemes.

### (c) Other employee-related accruals

Other employee-related accruals consist of employee benefits such as employee remuneration and holiday leave provided for in accordance with IAS 19 Employee benefits (2011).

## 19. Cash Flow Hedge Reserve

Group	Note	2017 €'000	2016 €'000
Balance at 1 January		(409)	(266)
Effective portion of cash flow hedge		(49)	(350)
Reclassification of cash flow hedge reserve to Income Statement		218	187
Deferred tax on cash flow hedge	22	(21)	20
<b>Balance at 31 December</b>		<b>(261)</b>	<b>(409)</b>

The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of the interest rate swap related to the Barclay's project loan facility.

## 20. Investments in Subsidiaries

RTÉ	Total €'000
Balance at 1 January 2017	65,827
Additions	-
<b>Balance at 31 December 2017</b>	<b>65,827</b>

RTÉ had the following subsidiaries at 31 December 2017:

Subsidiary companies	Share capital held	Class of business
RTÉ Commercial Enterprises DAC	100%	Publications, various commercial activities & other
RTÉ Music DAC	100%	Music publishing
RTÉ Transmission Network DAC (trading as 2rn)	100%	Management of transmission network assets
RTÉ Licence Collections Limited	100%	Dormant
DTT Network Company	100%	Dormant
Seirbhísi Theilifis na Gaeilge Teoranta	100%	Dormant

The Board has reviewed the carrying value of the Group's investments and is satisfied that there are no impairment indicators and the values are fairly stated.

All subsidiaries operate in Ireland and have their registered offices at RTÉ, Donnybrook, Dublin 4. RTÉ Music DAC is a wholly owned subsidiary of RTÉ Commercial Enterprises DAC.

In December 2017, 2rn paid a €20 million dividend to RTÉ. This is recognised as income by RTÉ company.

RTÉ had the following joint venture at 31 December 2017:

Joint venture company	Share capital held	Class of business
Multiplex Broadcasting Services NI Limited	66.6%	Transmission of free-to-air digital television services in Northern Ireland and related multiplex services

The registered office of Multiplex Broadcasting Services NI Limited is at Murray House, Murray St, Belfast.

# Notes forming part of the Group Financial Statements (continued)

## 20. Investments in Subsidiaries (continued)

Classification of RTÉ Group activities by IBD and by legal entity as at 31 December 2017

	RTÉ	RTÉ Commercial Enterprises DAC	RTÉ Music DAC	RTÉ Transmission Network DAC
<b>COMMERCIAL IBD</b>				
Television advertising and sponsorship sales	•			
Radio advertising and sponsorship sales	•			
Sale of online banner advertising and sponsorship	•			
Sale of Aertel teletext advertising and sponsorship	•			
Hire of television production facilities to third parties		•		
Commercial telecoms revenue		•		
Programme merchandising sales		•		
Listing sales		•		
Provision of broadcast circuits and technical facilities to third parties		•		
Television programme sales		•		
Studio production of television advertisements for third parties		•		
Hire of radio production facilities to third parties		•		
Roadcaster mobile studio and promotional sales		•		
Studio production of radio advertisements		•		
Sale of music copyright			•	
Provision of international paid-for video-on-demand services		•		
Generation of revenue from Orchestra performances	•			
Production and publication of the RTÉ Guide magazine		•		
RTÉ Guide advertising sales		•		
Administration of Commercial IBD	•			
<b>TELEVISION IBD</b>				
Free-to-air broadcast of public-service television schedules and channels	•			
Commissioning and production of indigenous television programmes	•			
Statutory commissioning of programme content from independent EU producers	•			
Acquisition of domestic/non-domestic television programmes	•			
Statutory provision of non-news and current affairs programming to TG4	•			
Provision of content for RTÉ's free-to-access public-service online services	•			
Administration of Television IBD	•			
<b>RADIO IBD</b>				
Free-to-air broadcast of public-service radio schedules/channels	•			
Commissioning and production of indigenous radio programmes	•			
Acquisition of domestic/non-domestic radio programmes	•			
Provision of content for RTÉ's free-to-access public-service online services	•			
Administration of Radio IBD	•			
Statutory commissioning of programme content from independent EU producers	•			

## 20. Investments in Subsidiaries (continued)

	RTÉ	RTÉ Commercial Enterprises DAC	RTÉ Music DAC	RTÉ Transmission Network DAC
<b>RTÉ NEWS &amp; CURRENT AFFAIRS IBD</b>				
Provision of a national and international news-gathering service	•			
Production and coverage of television and radio news bulletins, events and programmes	•			
Commissioning and production of current affairs programmes	•			
Statutory provision of news and current affairs programming to TG4	•			
Administration of RTÉ News & Current Affairs IBD	•			
Provision of news and current affairs content to RTÉ's free-to-access public-service online services	•			
<b>NETWORK IBD</b>				
Provision of national analogue radio broadcast transmission services				•
Provision of national digital radio transmission services				•
Provision of multiplexing, transmission and distribution services to multiplex operators				•
Hire of ancillary mast and tower facilities				•
Administration of 2rn				•
<b>DIGITAL IBD</b>				
Maintenance of television channel archives and news library	•			
Sale of library and archive material		•		
Maintenance of radio channel archive and library	•			
Provision of RTÉ Aertel teletext services	•			
Provision of a range of free-to-public, public-service web-based online services	•			
Operation of the RTÉ Player to domestic and international audiences	•			
Incubation and development of new media technologies	•			
Administration of Digital IBD	•			
Provision of additional opportunities to access RTÉ's public-service news content via RTÉ News Now Online	•			
<b>ORCHESTRAS, QUARTET &amp; CHOIRS IBD</b>				
Orchestral and choir performances	•			
Commission, production, performance and recording of orchestral and choir music	•			
Administration of Orchestras, Quartet & Choirs IBD	•			
<b>CENTRAL SHARED SERVICES</b>				
Group Communications, Central HR, Group Legal, Group Treasury, Central Technology, Donnybrook Site Services, Group Insurance and Group Pensions	•			
Provision of DTT multiplexing services to broadcasters (Saorview)	•			
<b>CORPORATE HQ</b>				
Direction and overall operation of public-service broadcaster	•			
Holding of investments in broadcasting-related activities	•			

# Notes forming part of the Group Financial Statements (continued)

## 21. Retirement Benefit Obligations (Group and RTÉ)

The Group is the principal sponsoring employer of:

- (a) the RTÉ Superannuation Scheme (a funded, contributory, final salary defined benefit pension scheme to which no new employees have been admitted since 1989);
- (b) the RTÉ '50/50' Risk-Sharing Pension Scheme (a funded, contributory pension scheme with a core defined benefit (DB) promise based on a capped salary level with a defined contribution (DC) arrangement for earnings above the cap); and
- (c) the RTÉ Defined Contribution Pension Scheme (a funded, contributory DC scheme) and also makes contributions to a number of other smaller defined contribution pension schemes on behalf of employees.

The schemes above are established as separate trust funds, each managed by a board of trustees who have responsibility for overseeing the schemes' operations, including the investment of the schemes' assets.

### (i) Pension charge

The employer pension charge in respect of each year for the various schemes was:

	2017 €'000	2016 €'000
RTÉ Superannuation Scheme		
- current service cost	<b>(3,257)</b>	(3,072)
- past service cost <sup>1</sup>	<b>(5,694)</b>	-
RTÉ '50/50' Risk-Sharing Pension Scheme (DB section)		
- current service cost	<b>(1,634)</b>	(966)
	<b>(10,585)</b>	(4,038)
RTÉ '50/50' Risk-Sharing Pension Scheme (DC section)	<b>(350)</b>	(336)
RTÉ Defined Contribution Pension Scheme	<b>(9,502)</b>	(9,362)
Other schemes	<b>(20)</b>	(20)

<sup>1</sup> The past service cost arises in 2017 as a result of the decision by RTÉ to cease reimbursements to the pension scheme under previous restructuring schemes.

### (ii) Defined benefit arrangements

RTÉ Superannuation Scheme:

As is required by the *Pensions Act, 1990*, independent actuarial valuation reports based on actuarially determined long-term funding assumptions are regularly carried out in respect of the RTÉ Superannuation Scheme. The most recent actuarial funding valuation report is dated 1 January 2018 and was completed subsequent to the 2017 year end by the actuaries, Mercer, who are neither officers nor employees of the Group. This actuarial funding valuation, uses the 'attained age' method of valuation to derive the future service cost. For this valuation the actuary has provided a surplus calculated on a total-service funding position. This compares total liabilities (past and future service) with the value of assets plus the value of future employee and employer contributions at standard rates. This is a change in approach from prior years when surplus was expressed as the excess of assets over past service liabilities only. The total-service funding position at 1 January 2018 shows a surplus of €18.3 million. The equivalent total-service surplus at 1 January 2017 was €29 million. The actuarial funding valuation report is not available for public inspection, however the results of valuations are advised to members.

The actuaries have also carried out a valuation in accordance with the minimum funding standard (MFS) as at 1 January 2018 and have reported a surplus on this basis of €159.4 million (1 January 2017: surplus of €97.3 million). An Actuarial Funding Certificate has been submitted on this basis. The scheme also met the funding standard reserve at 1 January 2018 and a certificate confirming this outcome has been submitted to the Pension Authority.

## 21. Retirement Benefit Obligations (Group and RTÉ) (continued)

As required by the accounting standard IAS 19 (2011), the actuaries, Mercer, also prepare a report setting out the position of the RTÉ Superannuation Scheme using the accounting valuation methodology specified in IAS 19 (2011). The IAS 19 (2011) approach to defined benefit fund accounting valuation and reporting uses the projected unit credit method to derive annual future pension charges, values assets at current fair market value and discounts future liabilities (using high grade corporate bond rates of approximate duration to the estimated life of the liabilities of the scheme) to arrive at a net present value of the liabilities of the scheme. The difference between the asset and liability valuations at 31 December 2017 amounts to an asset of €48.1 million.

The Group expects to pay €0.8 million in contributions to the RTÉ Superannuation Scheme in 2018.

RTÉ '50/50' Risk-Sharing Pension Scheme:

The most recent actuarial funding valuation in respect of the RTÉ '50/50' Risk-Sharing Pension Scheme was carried out as at 1 January 2018 and was completed subsequent to the 2017 year end by the scheme actuary, Mercer. This actuarial funding valuation, which uses the 'attained age' method of valuation to derive the future service cost, discloses the scheme to have a surplus of €4.0 million (1 January 2017: surplus €3.5 million). The actuarial funding valuation report is not available for public inspection, however the results of valuations are advised to members.

The employer contribution rate to the defined benefit section of the RTÉ '50/50' Risk-Sharing Pension Scheme for the year ended 31 December 2017 was 8.75% of employee members' remuneration (defined as pensionable salary and allowances up to the cap, currently €48,000 p.a.). The actuaries have also carried out a valuation in accordance with the MFS provisions of the *Pensions Act, 1990* and have reported a surplus on this basis of €11.2 million (1 January 2017: surplus €9.3 million).

As for the RTÉ Superannuation Scheme, Mercer prepares a report setting out the position of the RTÉ '50/50' Risk-Sharing Pension Scheme using the accounting valuation methodology specified in IAS 19 (2011). For this scheme, the difference between the asset and liability valuation at 31 December 2017 amounts to an asset of €2.8 million.

The Group expects to pay €1.4 million in contributions to the RTÉ '50/50' Risk-Sharing Pension Scheme (DB section) in 2018.

Both schemes carry the normal investment and funding risks associated with defined benefit schemes, and short-term volatility in their financial position can be expected. The regulatory risk is, however, limited, as there is no statutory requirement in Ireland for employers to maintain defined benefit plans in existence or to meet any funding shortfalls should they wind up in deficit.

### (iii) Net defined benefit asset/(liability)

At 31 December 2017, the net defined benefit asset/(liability) in relation to the two defined benefit arrangements is as follows:

	2017	2016
Group and RTÉ	€'000	€'000
Net pension asset/(liability) in RTÉ Superannuation Scheme	<b>48,097</b>	27,113
Net pension asset in RTÉ '50/50' Risk-Sharing Pension Scheme	<b>2,813</b>	1,951
	<b>50,910</b>	29,064

# Notes forming part of the Group Financial Statements (continued)

## 21. Retirement Benefit Obligations (Group and RTÉ) (continued)

### Movement in net defined benefit asset/(liability)

#### RTÉ Superannuation Scheme

	Defined benefit obligation		Fair value of plan assets		Net defined benefit asset/ (liability)	
	2017	2016	2017	2016	2017	2016
	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January	<b>(1,016,346)</b>	(951,710)	<b>1,043,459</b>	995,112	<b>27,113</b>	43,402
<b>Included in Income Statement</b>						
Current service cost	<b>(3,257)</b>	(3,072)	-	-	<b>(3,257)</b>	(3,072)
Past service cost	<b>(5,694)</b>	-	-	-	<b>(5,694)</b>	-
Interest (cost)/income	<b>(16,907)</b>	(22,333)	<b>17,387</b>	23,402	<b>480</b>	1,069
	<b>(25,858)</b>	(25,405)	<b>17,387</b>	23,402	<b>(8,471)</b>	(2,003)
<b>Included in OCI</b>						
Remeasurements gain/(loss)						
Actuarial gain/(loss) arising from:						
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	<b>4,395</b>	(82,233)	-	-	<b>4,395</b>	(82,233)
Experience	<b>(9,135)</b>	3,821	-	-	<b>(9,135)</b>	3,821
Return on plan assets excluding interest income	-	-	<b>33,013</b>	62,891	<b>33,013</b>	62,891
	<b>(4,740)</b>	(78,412)	<b>33,013</b>	62,891	<b>28,273</b>	(15,521)
<b>Other</b>						
Employer contributions	-	-	<b>1,182</b>	1,235	<b>1,182</b>	1,235
Employee contributions	<b>(1,015)</b>	(1,073)	<b>1,015</b>	1,073	-	-
Benefits paid	<b>43,350</b>	40,254	<b>(43,350)</b>	(40,254)	-	-
	<b>42,335</b>	39,181	<b>(41,153)</b>	(37,946)	<b>1,182</b>	1,235
<b>Balance at 31 December</b>	<b>(1,004,609)</b>	(1,016,346)	<b>1,052,706</b>	1,043,459	<b>48,097</b>	27,113



## 21. Retirement Benefit Obligations (Group and RTÉ) (continued)

### RTÉ '50/50' Risk-Sharing Pension Scheme

	Defined benefit obligation		Fair value of plan assets		Net defined benefit asset	
	2017 €'000	2016 €'000	2017 €'000	2016 €'000	2017 €'000	2016 €'000
<b>Balance at 1 January</b>	<b>(12,122)</b>	(7,781)	<b>14,073</b>	11,128	<b>1,951</b>	3,347
Included in Income Statement						
Current service cost	<b>(1,634)</b>	(966)	-	-	<b>(1,634)</b>	(966)
Interest (cost)/income	<b>(255)</b>	(226)	<b>316</b>	350	<b>61</b>	124
	<b>(1,889)</b>	(1,192)	<b>316</b>	350	<b>(1,573)</b>	(842)
<b>Included in OCI</b>						
Remeasurements gain/(loss)						
Actuarial gain/(loss) arising from:						
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	<b>50</b>	(2,479)	-	-	<b>50</b>	(2,479)
Experience	<b>363</b>	(16)	-	-	<b>363</b>	(16)
Return on plan assets excluding interest income	-	-	<b>662</b>	683	<b>661</b>	683
	<b>413</b>	(2,495)	<b>662</b>	683	<b>1,074</b>	(1,812)
<b>Other</b>						
Employer contributions	-	-	<b>1,360</b>	1,258	<b>1,360</b>	1,258
Employee contributions	<b>(722)</b>	(688)	<b>722</b>	688	-	-
Benefits paid	<b>2</b>	4	<b>(2)</b>	(4)	-	-
Insurance premium	<b>68</b>	30	<b>(68)</b>	(30)	-	-
	<b>(652)</b>	(654)	<b>2,012</b>	1,912	<b>1,360</b>	1,258
<b>Balance at 31 December</b>	<b>(14,250)</b>	(12,122)	<b>17,063</b>	14,073	<b>2,812</b>	1,951

# Notes forming part of the Group Financial Statements (continued)

## 21. Retirement Benefit Obligations (Group and RTÉ) (continued)

### (iv) Scheme assets

The fair value of the assets at 31 December was:

	RTÉ Superannuation Scheme		RTÉ '50/50' Risk-Sharing Pension Scheme	
	2017 Fair value €'000	2016 Fair value €'000	2017 Fair value €'000	2016 Fair value €'000
Debt instruments:				
Government bonds	425,561	427,726	-	-
Corporate bonds	56,991	55,072	-	-
<b>Total debt instruments</b>	<b>482,552</b>	<b>482,798</b>	<b>-</b>	<b>-</b>
<b>Derivatives</b>	<b>95</b>	<b>(132)</b>	<b>-</b>	<b>-</b>
Investment funds:				
Equity	412,506	408,487	7,545	8,490
Bonds	-	-	8,447	5,428
Property	61,595	51,385	779	-
Hedge funds	50,142	53,434	-	-
Private equity	38,547	35,572	-	-
<b>Total investment funds</b>	<b>562,790</b>	<b>548,878</b>	<b>16,771</b>	<b>13,918</b>
Cash and cash equivalents:				
Cash	4,001	7,745	169	155
Other investment balances	4,248	4,170	123	-
<b>Total cash and cash equivalents</b>	<b>8,249</b>	<b>11,915</b>	<b>292</b>	<b>155</b>
<b>Total fair value of assets</b>	<b>1,053,686</b>	<b>1,043,459</b>	<b>17,063</b>	<b>14,073</b>

Equities are held as funds with underlying assets quoted in an active market. Debt instruments are held on a segregated basis (RTÉ Superannuation Scheme).

## 21. Retirement Benefit Obligations (Group and RTÉ) (continued)

### (v) Defined benefit obligation

#### (i) Actuarial assumptions

Below are the major assumptions used for the purposes of the IAS 19 (2011) based accounting valuation of the pension schemes.

	RTÉ Superannuation Scheme		RTÉ '50/50' Risk-Sharing Pension Scheme	
	2017	2016	2017	2016
Average projected rate of increase in salaries:				
Over the next two years	<b>1.5%</b>	2.0%	<b>1.5%</b>	2.0%
Over the following two years	<b>1.5%</b>	1.3%	<b>1.5%</b>	1.3%
Thereafter	<b>1.5%</b>	1.3%	<b>1.5%</b>	1.3%
Average projected rate of increase in pensions:				
Over the next two years	<b>1.5%</b>	1.0%	<b>1.5%</b>	1.3%
Over the following four years	<b>1.5%</b>	1.6%	<b>1.5%</b>	1.3%
Thereafter	<b>1.5%</b>	1.3%	<b>1.5%</b>	1.3%
Discount rate	<b>1.8%</b>	1.7%	<b>2.3%</b>	2.1%
Inflation assumption	<b>1.5%</b>	1.3%	<b>1.5%</b>	1.3%
Mortality	<b>Years</b>	<b>Years</b>	<b>Years</b>	<b>Years</b>
Life expectancy future retirees				
Male of age 65 (born 1963)	<b>25.1</b>	25.0	<b>25.1</b>	25.0
Female of age 65 (born 1963)	<b>27.2</b>	27.1	<b>27.2</b>	27.1
Life expectancy existing pensioners				
Male of age 65 (Born 1953)	<b>23.9</b>	23.8	<b>23.9</b>	23.8
Female of age 65 (Born 1953)	<b>26.0</b>	25.9	<b>26.0</b>	25.9

At 31 December 2017, the weighted average duration of the defined benefit obligations were:

RTÉ Superannuation Scheme: 13.5 years

RTÉ '50/50' Risk-Sharing Pension Scheme: 33 years

# Notes forming part of the Group Financial Statements (continued)

## 21. Retirement Benefit Obligations (Group and RTÉ) (continued)

### (ii) Sensitivity analysis

Consideration has been given to the impact on the defined benefit obligation of changes in the key underlying actuarial assumptions. The impact shown is as at the reporting date and in each case it is assumed that all other assumptions remain unchanged.

	RTÉ Superannuation Scheme		RTÉ '50/50' Risk-Sharing Pension Scheme	
	Assumption	Benefit obligation €000s	Assumption	Benefit obligation €000s
Discount rate				
<b>Current rate</b>	<b>1.8%</b>	<b>1,004,609</b>	<b>2.3%</b>	<b>14,250</b>
-0.25%	1.55%	1,038,957	2.05%	15,432
+0.25%	2.05%	972,172	2.55%	13,162
Salary & pension increases				
<b>Current assumption (long term)</b>	<b>1.5%</b>	<b>1,004,609</b>	<b>1.5%</b>	<b>14,250</b>
0.25% lower increases	1.25%	972,075	1.25%	13,217
0.25% higher increases	1.75%	1,038,307	1.75%	15,361
Mortality				
<b>Current assumption (offset from standard table)</b>	<b>-1 year</b>	<b>1,004,609</b>	<b>-1 year</b>	<b>14,250</b>
No offset	0 years	968,604	0 years	13,899
Two years offset	-2 years	1,040,916	-2 years	14,604

## 22. Deferred Tax

### Group

#### Recognised deferred tax assets and liabilities

	Assets Gross		(Liabilities) Gross	
	2017 €'000	2016 €'000	2017 €'000	2016 €'000
Property, plant and equipment	-	-	<b>(2,194)</b>	(1,794)
Pension asset	-	-	<b>(6,364)</b>	(3,633)
Derivatives – cash flow hedge	<b>37</b>	58	-	-
Gross Tax Assets/(Liabilities)	<b>37</b>	58	<b>(8,558)</b>	(5,427)

#### Movement in temporary differences during 2017

	Opening balance net	Recognised in income	Recognised in other comprehensive income	Closing balance net
Property, plant and equipment	(1,794)	(400)	-	<b>(2,194)</b>
Pension asset	(3,633)	-	(2,731)	<b>(6,364)</b>
Derivatives – cash flow hedge	58	-	(21)	<b>37</b>
Net Tax Assets/(Liabilities)	(5,369)	(400)	(2,752)	<b>(8,521)</b>

## 22. Deferred Tax (continued)

### Movement in temporary differences during 2016

	Opening balance net	Recognised in income	Recognised in other comprehensive income	Closing balance net
Property, plant and equipment	(1,497)	(297)	-	(1,794)
Pension asset	(5,844)	-	2,211	(3,633)
Derivatives – cash flow hedge	38	-	20	58
Net Tax Assets/(Liabilities)	(7,303)	(297)	2,231	(5,369)

### RTÉ

#### Recognised deferred tax assets and liabilities

	Assets Gross		(Liabilities) Gross	
	2017	2016	2017	2016
	€'000	€'000	€'000	€'000
Property, plant and equipment	<b>1,203</b>	1,275	-	-
Pension asset	-	-	<b>(6,364)</b>	(3,633)
Gross Tax Assets/(Liabilities)	<b>1,203</b>	1,275	<b>(6,364)</b>	(3,633)

### Movement in temporary differences during 2017

	Opening balance net	Recognised in income	Recognised in other comprehensive income	Closing balance net
Property, plant and equipment	1,275	(72)-		<b>1,203</b>
Pension asset	(3,633)-		(2,731)	<b>(6,364)</b>
Net Tax Assets/(Liabilities)	(2,358)	(72)	(2,731)	<b>(5,161)</b>

# Notes forming part of the Group Financial Statements (continued)

## 22. Deferred Tax (continued)

### Movement in temporary differences during 2016

	Opening balance net	Recognised in income	Recognised in other comprehensive income	Closing balance net
Property, plant and equipment	1,194	81	-	1,275
Pension asset	(5,844)	-	2,211	(3,633)
Net Tax Assets/(Liabilities)	(4,650)	81	2,211	(2,358)

### Unrecognised deferred tax assets (Group and RTÉ)

Television licence fee income that RTÉ receives by way of 'grant-in-aid' is subject to corporation tax with effect from 1 January 2007. The Group has trading losses forward for tax purposes of €647 million at 31 December 2017. Due to the uncertainty surrounding when the losses may ultimately be utilised, no deferred tax asset has been recognised.

## 23. Financial Instruments and Financial Risk Management (Group and RTÉ)

### (a) Overview of financial risk management

#### (i) Risk environment

The Group has exposure to the financial risks relating to credit, liquidity, foreign exchange, interest rate and operational risk.

The Board of RTÉ has overall responsibility for the establishment and oversight of the Group's risk-management framework and has approved policies for the main areas of financial risk faced by the Group. Group Treasury is responsible for managing all treasury activities, in accordance with the treasury policies, including cash management, interest rate risk, liquidity risk, foreign exchange risk and counterparty credit risk.

The majority of RTÉ's business is transacted in Ireland. Consequently, operating and investing cash flows are substantially denominated in euro. Foreign currency exposures arise primarily from payments for acquired programmes in US dollar and sterling. RTÉ's policy is to have the majority of its committed principal foreign currency exposures commercially hedged at the beginning of each financial year by entering into US dollar and sterling forward contracts. All foreign currency forward contracts have a maturity date of less than 18 months from the 31 December 2017. These foreign currency forward contracts are not specifically designated into hedge relationships from an accounting perspective, but are nevertheless valid economic hedges.

2rn refinanced variable rate borrowings in 2014 and entered a derivative contract in order to hedge exposures arising from fluctuations in the interest rate in 2016. The Group designated the financial instrument as a cash flow hedge pursuant to *IAS 39 Financial instruments: recognition and measurement*.

Financial instruments are derecognised on settlement or sale.

## 23. Financial Instruments and Financial Risk Management (Group and RTÉ) (continued)

### (ii) Financial instruments classification

All financial assets and liabilities, excluding provisions and employee-related liabilities, are financial instruments carried at amortised cost, with the exception of the derivative assets/(liabilities), which are categorised as follows:

GROUP	Derivative financial instruments at fair value through Income Statement		Derivative financial instruments with hedging relationship		Assets/(liabilities) held at amortised cost		Total	
	2017 €'000	2016 €'000	2017 €'000	2016 €'000	2017 €'000	2016 €'000	2017 €'000	2016 €'000
<b>Non-Current Financial Assets</b>								
Derivative financial instruments	12	164	-	-	-	-	12	164
<b>Total Non-Current Financial Assets</b>	<b>12</b>	<b>164</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>164</b>
<b>Current Financial Assets</b>								
Trade and other receivables	-	-	-	-	39,494	40,340	39,494	40,340
Accrued income	-	-	-	-	3,417	3,530	3,417	3,530
Liquid investments	-	-	-	-	36,993	1,000	36,993	1,000
Cash and cash equivalents	-	-	-	-	70,126	16,698	70,126	16,698
Derivative financial instruments	-	486	-	-	-	-	-	486
<b>Total Current Financial Assets</b>	<b>-</b>	<b>486</b>	<b>-</b>	<b>-</b>	<b>150,030</b>	<b>61,568</b>	<b>150,030</b>	<b>62,054</b>
<b>Total Financial Assets</b>	<b>12</b>	<b>650</b>	<b>-</b>	<b>-</b>	<b>150,030</b>	<b>61,568</b>	<b>150,042</b>	<b>62,218</b>
<b>Non-Current Financial Liabilities</b>								
Interest-bearing loans and borrowings	-	-	-	-	(45,000)	(52,500)	(45,000)	(52,500)
Employee benefits	-	-	-	-	(5,878)	(10,173)	(5,878)	(10,173)
Capital grants	-	-	-	-	(7,946)	-	(7,946)	-
Trade and other payables	-	-	-	-	(3,858)	(2,515)	(3,858)	(2,515)
Derivative financial instruments	-	-	(85)	(258)	-	-	(85)	(258)
<b>Total Non-Current Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>(85)</b>	<b>(258)</b>	<b>(62,682)</b>	<b>(65,188)</b>	<b>(62,767)</b>	<b>(65,446)</b>
<b>Current Financial Liabilities</b>								
Trade and other payables	-	-	-	-	(80,208)	(72,437)	(80,208)	(72,437)
Interest-bearing loans and borrowings	-	-	-	-	(4,500)	(5,375)	(4,500)	(5,375)
Employee benefits	-	-	-	-	(24,328)	(9,189)	(24,328)	(9,189)
Capital grants	-	-	-	-	(22)	-	(22)	-
Derivative financial instruments	-	-	(805)	(209)	-	-	(805)	(209)
<b>Total Current Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>(805)</b>	<b>(209)</b>	<b>(109,058)</b>	<b>(87,001)</b>	<b>(109,863)</b>	<b>(87,210)</b>
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>(890)</b>	<b>(467)</b>	<b>(171,740)</b>	<b>(152,189)</b>	<b>(172,630)</b>	<b>(152,656)</b>

# Notes forming part of the Group Financial Statements (continued)

## 23. Financial Instruments and Financial Risk Management (Group and RTÉ) (continued)

RTÉ	Derivative financial instruments at fair value through Income Statement		Derivative financial instruments with hedging relationship		Assets/(liabilities) held at amortised cost		Total	
	2017 €'000	2016 €'000	2017 €'000	2016 €'000	2017 €'000	2016 €'000	2017 €'000	2016 €'000
<b>Non-Current Financial Assets</b>								
Derivative financial instruments	12	164	-	-	-	-	12	164
<b>Total Non-Current Financial Assets</b>	<b>12</b>	<b>164</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>164</b>
<b>Current Financial Assets</b>								
Trade and other receivables	-	-	-	-	34,969	34,081	34,969	34,081
Accrued income	-	-	-	-	448	402	448	402
Liquid investments	-	-	-	-	36,993	1,000	36,993	1,000
Cash and cash equivalents	-	-	-	-	59,008	13,198	59,008	13,198
Derivative financial instruments	-	486	-	-	-	-	-	486
<b>Total Current Financial Assets</b>	<b>-</b>	<b>486</b>	<b>-</b>	<b>-</b>	<b>131,418</b>	<b>48,681</b>	<b>131,418</b>	<b>49,167</b>
<b>Total Financial Assets</b>	<b>12</b>	<b>650</b>	<b>-</b>	<b>-</b>	<b>131,418</b>	<b>48,681</b>	<b>131,430</b>	<b>49,331</b>
<b>Non-Current Financial Liabilities</b>								
Interest-bearing loans and borrowings	-	-	-	-	-	(3,000)	-	(3,000)
Employee benefits	-	-	-	-	(5,636)	(10,027)	(5,636)	(10,027)
Trade and other payables	-	-	-	-	(3,858)	(2,515)	(3,858)	(2,515)
<b>Total Non-Current Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,494)</b>	<b>(15,542)</b>	<b>(9,494)</b>	<b>(15,542)</b>
<b>Current Financial Liabilities</b>								
Trade and other payables	-	-	-	-	(234,731)	(230,949)	(234,731)	(230,949)
Interest-bearing loans and borrowings	-	-	-	-	-	(1,875)	-	(1,875)
Employee benefits	-	-	-	-	(24,246)	(9,059)	(24,246)	(9,059)
Derivative financial instruments	-	-	(591)	-	-	-	(591)	-
<b>Total Current Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>(591)</b>	<b>-</b>	<b>(258,977)</b>	<b>(241,883)</b>	<b>(259,568)</b>	<b>(241,883)</b>
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>(591)</b>	<b>-</b>	<b>(268,471)</b>	<b>(257,425)</b>	<b>(269,062)</b>	<b>(257,425)</b>

The foreign exchange forward contracts are financial instruments measured at fair value through the surplus or deficit. The interest rate swap is a derivative designated as a cash flow hedge.



## 23. Financial Instruments and Financial Risk Management (Group and RTÉ) (continued)

### (b) Credit risk

#### Overview

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Notes	Group carrying amount		RTÉ carrying amount	
		2017 €'000	2016 €'000	2017 €'000	2016 €'000
Trade receivables	12	<b>39,438</b>	40,310	<b>34,913</b>	34,053
Liquid investments	13	<b>36,993</b>	1,000	<b>36,993</b>	1,000
Cash and cash equivalents	14	<b>70,126</b>	16,698	<b>59,008</b>	13,198
Accrued income		<b>3,417</b>	3,530	<b>448</b>	402
Derivative financial instruments		<b>12</b>	650	<b>12</b>	650
		<b>149,986</b>	62,188	<b>131,374</b>	49,303

The Group has detailed procedures for monitoring and managing the credit risk related to its financial assets as outlined below.

#### Treasury-related credit risk

The Group is exposed to credit risk from the counterparties with whom it holds its bank accounts and transacts with in the financial markets.

Liquid investments, cash and cash equivalents, and derivative financial instruments are all held by financial counterparties which have a minimum credit rating of BBB- under the Standard & Poor's rating.

Liquid investments and cash and cash equivalents are primarily funds invested with Irish financial institutions with limits on amounts held with individual banks or institutions at any one time. Derivative financial instruments are held with Irish and UK financial institutions and the Group has not experienced any losses due to failure of such counterparties to deliver on their obligations.

#### Customer credit risk

The Group has credit insurance and sets credit limits for all customers. Given the nature of the advertising and other markets within which RTÉ operates, RTÉ had significant exposures to individual advertising agencies and other customers throughout the year. RTÉ's policy is to assign limits to the aggregate amount of exposure to each individual customer. These exposures and the related limits are subject to ongoing review and monitoring.

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Group carrying amount		RTÉ carrying amount	
	2017 €'000	2016 €'000	2017 €'000	2016 €'000
Ireland	<b>37,946</b>	37,773	<b>33,641</b>	32,775
United Kingdom	<b>1,428</b>	2,452	<b>1,142</b>	1,194
Other regions	<b>64</b>	85	<b>131</b>	84
Trade Receivables	<b>39,438</b>	40,310	<b>34,913</b>	34,053

# Notes forming part of the Group Financial Statements (continued)

## 23. Financial Instruments and Financial Risk Management (Group and RTÉ) (continued)

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	Group carrying amount		RTÉ carrying amount	
	2017	2016	2017	2016
	€'000	€'000	€'000	€'000
Non-agency debtors	<b>39,266</b>	10,718	<b>34,746</b>	5,649
Other debtors – agency	<b>172</b>	29,592	<b>167</b>	28,404
Trade Receivables	<b>39,438</b>	40,310	<b>34,913</b>	34,053

An agency debtor represents an advertising agent or agency, being a person, firm or company, which selects or books advertising space on behalf of the advertiser.

The Group's most significant debtor, an Irish company, accounts for €3.0 million (8%) of the trade receivables carrying amount at 31 December 2017 (2016: €3.3 million).

The ageing of trade receivables at the reporting date was:

	Group			RTÉ		
	Gross	Impairment	Net	Gross	Impairment	Net
	2017	2017	2017	2017	2017	2017
	€'000	€'000	€'000	€'000	€'000	€'000
Not past due	<b>20,472</b>	-	<b>20,472</b>	<b>18,529</b>	-	<b>18,529</b>
Past due 0–30 days	<b>16,885</b>	<b>(340)</b>	<b>16,545</b>	<b>14,459</b>	<b>(112)</b>	<b>14,347</b>
Past due 31–120 days	<b>2,809</b>	<b>(801)</b>	<b>2,008</b>	<b>2,098</b>	<b>(252)</b>	<b>1,846</b>
Greater than 120 days	<b>689</b>	<b>(276)</b>	<b>413</b>	<b>328</b>	<b>(137)</b>	<b>191</b>
	<b>40,855</b>	<b>(1,417)</b>	<b>39,438</b>	<b>35,414</b>	<b>(501)</b>	<b>34,913</b>

	Group			RTÉ		
	Gross	Impairment	Net	Gross	Impairment	Net
	2016	2016	2016	2016	2016	2016
	€'000	€'000	€'000	€'000	€'000	€'000
Not past due	20,865	-	20,865	17,959	-	17,959
Past due 0–30 days	18,359	(282)	18,077	15,353	(62)	15,291
Past due 31–120 days	1,264	(326)	938	888	(102)	786
Greater than 120 days	1,042	(612)	430	154	(137)	17
	41,530	(1,220)	40,310	34,354	(301)	34,053

### 23. Financial Instruments and Financial Risk Management (Group and RTÉ) (continued)

The movement in the allowance for impairment in respect of trade receivables during the year was:

	Group		RTÉ	
	2017 €'000	2016 €'000	2017 €'000	2016 €'000
Balance at 1 January	<b>1,220</b>	1,313	<b>301</b>	278
(Released)/provided during the year	<b>200</b>	(95)	<b>200</b>	(10)
Bad debts written off in the year	<b>(3)</b>	2	-	33
Balance at 31 December	<b>1,417</b>	1,220	<b>501</b>	301

No credit exposure is perceived in relation to prepayments. Accrued income consists of unbilled receivables from a small number of customers. The Group has not experienced losses due to the failure of any of these customers to deliver on their obligations.

#### (c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. RTÉ's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its financial liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following tables set out the contractual maturities of financial liabilities, including interest payments associated with borrowings and the undiscounted net cash flows attributable to derivative financial instruments.

The following are the contractual maturities of financial liabilities:

31-Dec-17 Group	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	More than 5 years
	€'000	€'000	€'000	€'000	€'000	€'000
Interest-bearing loans and borrowings	<b>49,500</b>	<b>50,806</b>	<b>5,370</b>	<b>45,436</b>	-	-
Derivative financial instruments	<b>890</b>	<b>890</b>	<b>802</b>	<b>88</b>	-	-
Trade and other payables	<b>84,066</b>	<b>84,066</b>	<b>80,208</b>	<b>3,858</b>	-	-
Employee benefits	<b>30,207</b>	<b>30,344</b>	<b>24,328</b>	<b>550</b>	<b>1,474</b>	<b>3,992</b>
	<b>164,663</b>	<b>166,106</b>	<b>110,708</b>	<b>49,932</b>	<b>1,474</b>	<b>3,992</b>

31-Dec-16 Group	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	More than 5 years
	€'000	€'000	€'000	€'000	€'000	€'000
Interest-bearing loans and borrowings	57,875	60,271	6,399	8,417	45,455	-
Derivative financial instruments	467	467	209	185	73	-
Trade and other payables	74,952	74,952	72,437	2,515	-	-
Employee benefits	19,362	19,642	9,189	2,558	3,873	4,022
	152,656	155,332	88,234	13,675	49,401	4,022

# Notes forming part of the Group Financial Statements (continued)

## 23. Financial Instruments and Financial Risk Management (Group and RTÉ) (continued)

The following are the contractual maturities of financial liabilities (excluding inter-company liabilities):

<b>31-Dec-17</b>	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	More than 5 years
<b>RTÉ</b>	€'000	€'000	€'000	€'000	€'000	€'000
Interest-bearing loans and borrowings	-	-	-	-	-	-
Derivative financial instruments	591	591	591	-	-	-
Trade and other payables	238,589	238,589	234,731	3,858	-	-
Employee benefits	29,882	30,083	24,246	549	1,474	3,814
	<b>269,062</b>	<b>269,263</b>	<b>259,568</b>	<b>4,407</b>	<b>1,474</b>	<b>3,814</b>

<b>31-Dec-16</b>	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	More than 5 years
<b>RTÉ</b>	€'000	€'000	€'000	€'000	€'000	€'000
Interest-bearing loans and borrowings	4,875	4,955	1,944	3,011	-	-
Derivative financial instruments	-	-	-	-	-	-
Trade and other payables	65,852	65,852	63,337	2,515	-	-
Employee benefits	19,086	19,367	9,059	2,558	3,873	3,877
	<b>89,813</b>	<b>90,174</b>	<b>74,340</b>	<b>8,084</b>	<b>3,873</b>	<b>3,877</b>

As disclosed in note 15, the Group has a revolving credit facility with Bank of Ireland and a project loan and term loan facility with Barclays Bank PLC. Both of these facilities have loan covenants which, if breached in the future, may require the Group, or company, to repay the loans earlier than indicated in the above tables. The interest payments in the tables above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. Except for the interest-bearing loans and borrowings, it is not expected that the cash flows included in the maturity analysis above could occur significantly earlier or at significantly different amounts.

At 31 December 2017, RTÉ had an undrawn overdraft facility of €10 million in place and an undrawn revolving credit facility of €15 million.

### (d) Currency risk

The functional currency of all Group entities is euro. Due to the nature of certain aspects of its business, in particular acquired television programmes and rights from overseas, RTÉ is exposed to the effects of fluctuations in foreign currency exchange rates. The currencies that give rise to this risk are US dollar and sterling.

The Group and RTÉ primarily use foreign currency forward contracts to economically hedge its currency risk. Changes in the fair value of foreign currency forward contracts are recognised in the Income Statement. At 31 December 2017, the fair value of the associated derivative asset was €12,000 (2016: asset of €650,000).

The Group and RTÉ hedge a minimum of 60% of its budgeted foreign currency exposure in respect of acquired television programmes and rights from overseas.

The Group and Company did not have any material foreign currency denominated monetary assets at 31 December 2017 or 2016.

RTÉ had no financial liabilities denominated in foreign currencies except for those outlined in the following tables.

## 23. Financial Instruments and Financial Risk Management (Group and RTÉ) (continued)

### Breakdown of trade payables by currency

	2017 €'000	2016 €'000
<b>Group</b>		
Euro	<b>8,510</b>	5,699
GBP	<b>629</b>	1,168
USD	<b>113</b>	38
Other	<b>21</b>	1
	<b>9,273</b>	6,906

### Breakdown of trade payables by currency

	2017 €'000	2016 €'000
<b>RTÉ</b>		
Euro	<b>6,764</b>	4,596
GBP	<b>577</b>	1,167
USD	<b>113</b>	25
Other	<b>21</b>	1
	<b>7,475</b>	5,789

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2017	2016	2017	2016
EUR €1 = USD \$	<b>1.1297</b>	1.1069	<b>1.1993</b>	1.0541
EUR €1 = GBP £	<b>0.8767</b>	0.8195	<b>0.8872</b>	0.8562

In managing currency risks, the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Foreign currency forward purchase contracts are used by the Group to reduce volatility arising from these foreign currency exposures. As a result, the Group mitigates significant risk of movements in foreign exchange rates.

#### Group

A plus or minus change of 10% in relevant foreign currency exchange rates, based on outstanding foreign currency-denominated financial liabilities at 31 December 2017, would impact the Group's Income Statement positively or negatively by up to €84,759 (31 December 2016 €134,214).

#### RTÉ

A plus or minus change of 10% in relevant foreign currency exchange rates, based on outstanding foreign currency-denominated financial liabilities at 31 December 2017, would impact RTÉ's Income Statement positively or negatively by up to €78,974 (31 December 2016 €132,622).

# Notes forming part of the Group Financial Statements (continued)

## 23. Financial Instruments and Financial Risk Management (Group and RTÉ) (continued)

### (e) Interest rate risk

At 31 December 2017, the Group had total borrowings of €49.50 million (2016: €57.88 million).

On 28 May 2012, RTÉ entered into a five-year amortising term loan facility with Bank of Ireland for €15 million. The term loan matured in 2017.

On 28 January 2016, RTÉ entered into a revolving credit facility with Bank of Ireland amounting to €15 million for working capital purposes. At 31 December 2017 nil (2016: €3 million) had been drawn down. The borrowing is a variable rate facility with a maturity in 2021.

On 18 June 2014, 2rn refinanced its project loan facility with Barclays amounting to €40 million, plus an additional term loan facility of €13 million. During 2015, an interest rate swap was entered into in respect of the €40 million project loan facility until the maturity of the facility in June 2019. This derivative financial instrument was designated as a cash flow hedge; consequently, any changes in the interest rate would have an equal and opposite Income Statement effect for both the interest rate swap and the debt for the period.

A 1% movement in the interest rate would have a positive or negative effect on equity of €1.0 million and €1.1 million on the Income Statement.

At the reporting date, the interest rate profile of RTÉ's interest-bearing financial assets was:

Group	Carrying amount	
	2017 €'000	2016 €'000
<b>Fixed Rate Instruments</b>		
Financial assets	<b>36,993</b>	7,493
<b>Variable Rate Instruments</b>		
Financial assets	<b>70,126</b>	10,205
<b>RTÉ</b>		
<b>Fixed Rate Instruments</b>		
Financial assets	<b>36,993</b>	7,001
<b>Variable Rate Instruments</b>		
Financial assets	<b>59,008</b>	7,197

A 1% movement in the interest rate on RTÉ's interest-bearing financial assets would have a positive or negative effect on the Income Statement of €1.0 million (net of tax).

## 23. Financial Instruments and Financial Risk Management (Group and RTÉ) (continued)

### (f) Fair values

The following table shows the fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

<b>Group<sup>1</sup></b>	<b>Carrying amount 2017 €'million</b>	<b>Fair value level 2 2017 €'million</b>	<b>Carrying amount 2016 €'million</b>	<b>Fair value level 2 2016 €'million</b>
<b>Financial assets measured at fair value</b>				
Forward exchange contracts	-	-	0.7	0.7
<b>Financial liabilities measured at fair value</b>				
Interest rate swap	<b>(0.3)</b>	<b>(0.3)</b>	(0.5)	(0.5)
Forward exchange contracts	<b>(0.6)</b>	<b>(0.6)</b>	-	-
<b>Financial liabilities not measured at fair value</b>				
Interest-bearing loans and borrowings	<b>49.5</b>	<b>55.3</b>	57.9	60.3
<b>RTÉ<sup>1</sup></b>				
<b>Financial assets measured at fair value</b>				
Forward exchange contracts	-	-	0.7	0.7
<b>Financial liabilities measured at fair value</b>				
Forward exchange contracts	<b>(0.6)</b>	<b>(0.6)</b>	-	-
<b>Financial liabilities not measured at fair value</b>				
Interest-bearing loans and borrowings	-	-	4.9	5.0

1 The Group and RTÉ have not disclosed the fair values for financial instruments such as trade receivables, payables and employee benefits as their carrying amounts disclosed on page 155 and 156 are a reasonable approximation of fair values.

The fair value of derivative financial instruments was based on the fair value hierarchy. The fair value for foreign exchange forward contracts and the interest rate swap were calculated using the following valuation method:

Level 2: inputs, other than unadjusted quoted prices in active markets for identical assets and liabilities, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The Level 2 valuation method and instruments valued using the method has not changed during this or the previous reporting period. There has been no transfer between levels in the fair value hierarchy.

# Notes forming part of the Group Financial Statements (continued)

## 23. Financial Instruments and Financial Risk Management (Group and RTÉ) (continued)

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

### Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative financial instruments	Market comparison technique: the fair values are based on quotes for similar contracts traded in an active market.	Not applicable	Not applicable

### Financial instruments not measured at fair value

Type	Valuation technique	Significant unobservable inputs
Interest-bearing loans and borrowings	Discounted cash flows based on borrower quoted interest rates.	Not applicable

### (g) Derivative financial instruments

The contractual cash flows associated with the derivative financial instruments are outlined below:

31-Dec-17	Carrying amount €'000	Contractual cash flows €'000	Within 1 year €'000	1-2 years €'000	2-5 years €'000
<b>Group</b>					
<b>Derivative assets/(liabilities)</b>					
Interest rate swap	(298)	(298)	(213)	(85)	-
Foreign exchange forward contracts (outflows)	(580)	(580)	(580)	-	-
	<b>(878)</b>	<b>(878)</b>	<b>(793)</b>	<b>(85)</b>	<b>-</b>
<b>RTÉ</b>					
<b>Derivative assets</b>					
Foreign exchange forward contracts (outflows)	(580)	(580)	(580)	-	-



### 23. Financial Instruments and Financial Risk Management (Group and RTÉ) (continued)

31-Dec-16	Carrying amount €'000	Contractual cash flows €'000	Within 1 year €'000	1-2 years €'000	2-5 years €'000
<b>Group</b>					
<b>Derivative assets/(liabilities)</b>					
Interest rate swap	(467)	(467)	(209)	(185)	(73)
Foreign exchange forward contracts (outflows)	650	650	486	164	-
	183	183	277	(21)	(73)
<b>31-Dec-16</b>					
	Carrying amount €'000	Contractual cash flows €'000	Within 1 year €'000	1-2 years €'000	2-5 years €'000
<b>RTÉ</b>					
<b>Derivative assets/(liabilities)</b>					
Foreign exchange forward contracts (outflows)	650	650	486	164	-

Any gains or losses arising from changes in the fair value of foreign exchange forward contracts are taken directly to the Income Statement.

At 31 December 2017, the Group had total borrowings of €49.50 million (2016: €57.88 million). The Group entered an interest rate swap on a €40 million facility to fix the variable rate on the 2014 borrowings until maturity. At the inception of the hedge, the Group formally designated the hedge relationship and consequently the effective part of any gain or loss on the derivative financial instrument is recognised directly in the Statement of Comprehensive Income.

# Notes forming part of the Group Financial Statements (continued)

## 24. Financial Commitments, Contingencies and Guarantees

### (a) Capital commitments

	Group		RTÉ	
	2017 €'000	2016 €'000	2017 €'000	2016 €'000
Contracted but not provided for	<b>2,952</b>	387	<b>1,848</b>	193
Authorised but not contracted for	<b>1,523</b>	3,817	<b>1,523</b>	3,817
	<b>4,475</b>	4,204	<b>3,371</b>	4,010

### (b) Programme/rights purchase commitments

	Group		RTÉ	
	2017 €'000	2016 €'000	2017 €'000	2016 €'000
Contracted but not provided for	<b>123,391</b>	94,187	<b>123,391</b>	94,187

### (c) Contingent liabilities

Due to the nature of its operations, the Group is involved in various legal actions with third parties which have arisen in the normal course of the business. While it is not practicable to quantify accurately the potential liability under the various actions, the Board is satisfied that it has made reasonable provision for the likely outcome of these actions.

### (d) Guarantees

At 31 December 2017, RTÉ had entered into a guarantee facilities amounting to €11.3 million which expire on 31 July 2021.

### (e) Digital television services Northern Ireland

RTÉ has entered into a joint venture with TG4 for the provision of digital television services in Northern Ireland and, under this agreement, RTÉ has a funding commitment that expires in October 2024. The remaining commitment at 31 December 2017 is €3.6 million.

## 25. Capital Grants

	Group		RTÉ	
	2017 €'000	2016 €'000	2017 €'000	2016 €'000
Grants received re 700 MHz project	<b>7,976</b>	-	-	-
Released to Income Statement	<b>(8)</b>	-	-	-
	<b>7,968</b>	-	-	-
<b>Analysed as follows:</b>				
Non-current liabilities	<b>7,946</b>	-	-	-
Current liabilities	<b>22</b>	-	-	-
	<b>7,968</b>	-	-	-

During the year the DCCAIE issued a capital grant to RTÉ's subsidiary, RTÉ Transmission Network DAC, to facilitate the clearing of the Spectrum 700 MHz frequency band, as stipulated by EU directives. The movement in the grant during the year is in line with the Group's accounting policy.

## 26. Related Party Transactions

### (a) Transactions with related parties excluding key management personnel

RTÉ is a statutory corporation, established as a public-service broadcasting corporation under the *Broadcasting Authority Act, 1960*. The members of the RTÉ Board are appointed by the Government. The Government is deemed to have control over the Group and is recognised as a related party as defined by the accounting standards. The Group has applied the exemption in *IAS 24 Related party disclosures* that exempts an entity from the related party disclosure requirements in respect of the Government and Government-related entities unless transactions are individually significant or collectively significant.

In the normal course of business, the Group has entered into transactions with the Government and Government-related entities involving the provision of advertising and other similar services, together with purchases of goods and services to/from Government departments and to entities controlled by the Irish Government. An Post collects the television licence fee on behalf of the Department of Communications, Climate Action and Environment.

At 31 December 2017, the total payable to RTÉ subsidiary undertakings was €164.0 million (2016: €167.6 million).

### (b) Transactions with key management personnel<sup>1</sup>

For the purposes of the disclosure requirements of *IAS 24 Related party disclosures*, the term 'key management personnel' (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the company) comprises the RTÉ Board, the Director-General, the RTÉ Executive and the corporate functions reporting directly to the Director-General. The total amount of compensation paid to key management personnel in 2017 was €4.7 million (2016: €3.9 million), comprising salaries and other short-term employee benefits of €3.6 million (2016: €3.4 million), post-employment pension benefits of €0.4 million (2016: €0.5 million) and termination benefits €0.7 million (2016: nil) which were in accordance with the terms of the VEP 2017 programme.

Purchases by RTÉ from a company owned/controlled by Board members, other key management personnel and/or their close family members in 2017 amounted to €1.4 million (2016: €1.3 million), primarily in respect of commissioned programmes. Sales by RTÉ to a company owned/controlled by Board members, other key management personnel and/or their close family members in 2017 amounted to €0.2 million (2016: €0.1 million). Outstanding contractual commitments from a company owned/controlled by Board members, other key management personnel and/or their close family members in 2017 amounted to €0.3 million (2016: €0.03 million). There were no material amounts outstanding at either year end.

Programme contributions paid by RTÉ to Board members, other key management personnel and their close family members in 2017 amounted to nil (2016: €28,100).

### **Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions.

<sup>1</sup> Related parties include key management personnel, their immediate families and external entities controlled by them.

## 27. Subsequent Events

There were no subsequent events to note in 2018.

## 28. Board Approval

The Board of RTÉ approved the financial statements on pages 112 to 167 in respect of the year ended 31 December 2017 on 26 April 2018.

# Appendix to the Group Financial Statements – Accounting Policies

## 1. Basis of Accounting

Below we set out the full list of our accounting policies. The accounting policies have been applied consistently in dealing with items that are considered material in relation to the Group and RTÉ financial statements except for the new standards and amendments to standards outlined below.

### (a) Reporting entity

RTÉ is a statutory corporation established under the *Broadcasting Authority Act, 1960* and is domiciled in Ireland. The consolidated financial statements of RTÉ as at and for the year ended 31 December 2017 comprise the statutory corporation and all entities controlled by it (together referred to as the 'Group').

### (b) Statement of compliance

The RTÉ and Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) that are effective for the year ended 31 December 2017 and are applied in accordance with the provisions of broadcasting legislation. The Group has also elected to present both its consolidated and RTÉ parent entity financial statements in accordance with the provisions of the *Companies Act 2014* in so far as necessary to give a true and fair view. Accordingly, RTÉ's parent Statement of Financial Position, Cash Flow Statement and Statement of Changes in Equity have also been presented with the consolidated financial statements as would ordinarily be required by the *Companies Act 2014*. RTÉ's Group Income Statement has been adapted as permitted by *Companies Act 2014*, Schedule 3 Part II, Section A4(5).

### (c) Basis of preparation

The RTÉ and Group financial statements have been prepared on the historical cost basis as modified by the measurement at fair value of derivative financial instruments and retirement benefit obligations.

The Group financial statements are prepared in euro, rounded to the nearest thousand (€000), which is the functional currency of all the Group entities.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The key areas involving significant judgement or complexity, or areas where assumptions and estimates are significant to the Group's financial statements, relate primarily to the valuation of the defined benefit pension scheme and financial instruments and are documented in the relevant accounting policies and in the related notes.

### (d) Adoption of new and revised standards

There were a number of new requirements effective for the first time during 2017. The relevant standards are set out in detail below:

- Amendments to IAS 7 disclosure initiative;
  - Amendments to IAS 12 *Recognition of deferred tax assets for unrealised losses*; and
  - Amendments to IFRS 12 *Disclosure of interests in other entities*.
- The changes in accounting policies arising from these new requirements did not materially impact the Group.

### (e) Standards in issue but not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective and therefore have not been applied in preparing these financial statements. The Group does not plan to adopt these standards early; instead it will apply them from their effective dates as determined by their dates of EU endorsement. These include:

- IFRS 16 *Leases*;
- Amendments to IFRS 1 First-time adoption of IFRSs;
- Amendments to IFRS 2 Classification and measurement of share-based payment transactions;
- Amendments to IFRS 4 Applying IFRS 9 *Financial instruments* with IFRS 4 *Insurance contracts*; and
- Amendments to IAS 28 *Investments in associates and joint ventures*.

The Group is still reviewing the impact of the upcoming standards.

## 2. Revenue Recognition

Revenue, which excludes VAT and transactions between companies in the Group, comprises income arising from licence fees; advertising sales; sponsorship; the use of the Group's facilities and transmission network; circulation and events income; and content, merchandising and related income. Revenue is stated net of any settlement and volume discounts.

Revenue is recognised to the extent that recovery is probable, it is subject to reliable measurement, it is probable that economic benefits will flow to the Group and that the significant risks and rewards of ownership have transferred to the buyer.

### (a) Licence fee revenue

The Department of Communications, Climate Action and Environment (DCCAE) has nominated An Post to be the collection agent for the TV licence fee. Licence fee revenue is collected by An Post and paid over to the DCCAE, net of collection costs. In addition, licence fee revenue is payable by the Department of Employment Affairs and Social Protection (DEASP) on behalf of individuals eligible for a 'free' television licence. This revenue has been subject to a cap since 2011 and is paid monthly by the DEASP to the DCCAE.

The DCCAE makes a non-repayable 'grant-in-aid' to RTÉ from these licence fees collected, as provided in Section 123 of the *Broadcasting Act 2009* as amended by section 69 of the *Communications Regulation (Postal Services) Act 2011*. This equates to the amounts paid to it by the DEASP, together with the amounts collected by

An Post, net of collection costs, a 7% levy to the Broadcasting Fund and amounts paid to TG4 as determined by the Minister for Communications, Climate Action and Environment.

Licence fee revenue payable by the DEASP is recognised upon receipt. All other licence fee income is recognised upon notification by An Post of the number of licences sold in the period.

#### (b) Advertising and sponsorship income

Television advertising income is recognised on delivery of a campaign. All other advertising income is recognised on transmission/publication. Advertising income is stated net of agency commissions. Sponsorship income is recognised evenly over the life of the sponsored programme, publication, etc.

#### (c) Transmission and facilities income

Transmission and facilities income arise from the use of and access to the Group's transmission, distribution and multiplexing network and studio facilities provided to third parties. Amounts are recognised as the facilities are made available to third parties.

#### (d) Circulation and events income

Circulation income arises from the publication and circulation of the *RTÉ Guide* and is stated net of fees due to the distributor and end-retailer. Revenue is recognised on the basis of the net copies sold at the end of the sales cut-off period for each issue.

Events income arises from public events organised by RTÉ Orchestras. It is recognised as the events are held and amounts fall due.

#### (e) Content, merchandising and related income

Content, merchandising and related income represents amounts generated from RTÉ content and services provided to third parties. Revenue is recognised as the service is provided or upon delivery of goods to the third party.

### 3. Segment reporting

Segmental analysis, prepared in accordance with IFRS 8 *Operating segments* is set out in note 2(d) and 2(f). RTÉ's primary reporting segments are its IBDs. Other segmental analysis as required by the *Broadcasting Act 2009* is set out in note 2(e).

In note 2(d), commercial revenues are mainly reported in the Commercial IBD. 2rn revenues are reported in Network IBD. Archive and library sales revenues are reported in Digital IBD. Revenues from the provision of multiplexing services and some other minor revenues are reported under other segments. With the exception of the News & Current Affairs IBD, the reporting of licence fee revenue within each IBD is a function of the licence fee attributed to each individual channel and service. In the case of the News & Current Affairs IBD, all of the costs are covered by attributed licence fee revenue.

Costs directly incurred by and for an IBD are reported within that IBD. An appropriate full-cost absorption/usage allocation basis is used to apply a fair and reasonable cost to inter-divisional and central

shared services consumed by those IBDs. The allocations are based upon consistently applied and objectively justifiable cost accounting principles.

Costs of production, commissioning and acquisition of television and radio programmes are incurred for the purpose of providing RTÉ's free-to-air television and radio channels. These costs are charged to the Television, Radio and News & Current Affairs IBDs as appropriate. In order to fairly reflect the true cost of providing RTÉ's free-to-air television and radio channels, these costs are not apportioned to the online services where further opportunities to access the content are provided. Where direct costs are incurred in the acquisition of online rights, the repurposing of content or the creation of content primarily for online, these are charged to online services. Where content is sourced both for inclusion in broadcast programmes and used directly in online services, the cost of sourcing such content is allocated in line with the cost allocation principles set out above.

In note 2(f), assets and liabilities by IBD are stated after the elimination of inter-company assets and liabilities and any inter-company profit resulting from internal transfers.

### 4. Programme Inventories

Programme inventories are valued at the lower of cost and net realisable value.

Indigenous programme inventories are programmes produced in-house by RTÉ or programmes commissioned by RTÉ from independent producers. Costs for in-house programme stock include direct programme costs, including production facilities and programme labour costs. Costs for commissioned programme stocks are based on the contract price. Indigenous programme inventories are charged to the Income Statement in full on first transmission.

Acquired programme inventories are programmes and films purchased by RTÉ from third-party studios and broadcasters. Costs for acquired programme inventories are defined as the third-party licence contract price which RTÉ pays the studio or broadcaster. Acquired programme inventories are charged to the Income Statement based on the expected value of each transmission as follows:

Features:	75% on first transmission
	25% on second transmission
Series:	99% on first transmission
	1% on second transmission

Sports rights inventories are the rights to broadcast sporting events. Costs for sport rights inventories are defined as the contract price agreed by the Group with the relevant sports body or rights holder. Where RTÉ sublicences sports rights to third parties, the associated income and costs are reflected on a net basis in the Income Statement. Sports rights inventories are charged to the Income Statement as the sporting events relating to the rights are broadcast.

# Appendix to the Group Financial Statements – Accounting Policies (continued)

## 5. Foreign Currency Transactions

Transactions denominated in foreign currencies are translated to the respective functional currencies of group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the Income Statement.

## 6. Property, Plant and Equipment

### (a) Recognition and measurement

Property, plant and equipment is shown at historical cost, net of accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the replaced item can be measured reliably. All other repairs and maintenance costs are charged to the Income Statement during the financial period in which they are incurred.

Stocks of minor spare parts are stated at the lower of cost and net realisable value and are included in Capital projects in progress.

### (b) Depreciation

Depreciation is provided on all property, plant and equipment, except freehold land and spare parts, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life.

The principal rates used are as follows:

Buildings	2.5%	-	25%
Plant & equipment	7.5%	-	20%
Fixtures & fittings	10%	-	25%

Capital projects in progress represent the cost of purchasing and installing property, plant and equipment ahead of their commission into use. Depreciation is charged on assets from the date of commissioning.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment and depreciated accordingly.

### (c) Impairment

In accordance with IAS 36 *Impairment of assets*, the carrying amount of items of buildings and plant and equipment are reviewed at each year end date to determine whether there is any indication of impairment and are subjected to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated.

### (d) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## 7. Intangible Assets

### (a) Recognition and measurement

An intangible asset, which is an identifiable non-monetary asset without physical substance, is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably. The asset is deemed to be identifiable when it is separable or when it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the Group or from other rights and obligations.

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The Group's intangible assets are entirely software-related in nature.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

### (b) Amortisation

Intangible assets, with finite useful economic lives, are amortised to the Income Statement on a straight-line basis over their estimated useful lives from the date they are available for use. In the case of computer software, the useful economic lives are generally three to five years.

### (c) Impairment

In accordance with IAS 36 *Impairment of assets* the carrying amount of intangible assets are reviewed at each year end date to determine whether there is any indication of impairment and are subjected to impairment testing when events or changes in circumstances indicate that the carrying values are not recoverable. If any such indication exists, then the assets recoverable amount is estimated.

## 8. Financial Instruments

### (a) Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables (excluding prepayments), liquid investments, cash and cash equivalents, restricted cash, loans and borrowings, accrued income, employee benefits and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

#### *Investments in subsidiaries*

RTÉ's investments in subsidiary companies in its Statement of Financial Position are recognised at cost, less impairment losses.

#### *Trade and other receivables*

Trade and other receivables are stated at amortised cost, which approximates to fair value given the short-dated nature of these assets. Trade receivables are carried at original invoice amount less any impairment for potentially unrecoverable amounts. Impairment is recognised if there is objective evidence after initial recognition that a balance may not be recoverable in full or in part.

#### *Liquid investments*

Liquid investments comprise short-term deposits that have a maturity date of greater than three months from the date of acquisition but less than 12 months from the year end date. Given that the maturity of these investments falls outside the timeframe for classification as cash and cash equivalents under IAS 7 *Cash flow statements*, the related balances are treated as financial assets and are stated at fair value at inception and carried at amortised cost thereafter. Income on these assets is recognised on an effective interest rate basis.

#### *Cash and cash equivalents*

Cash and cash equivalents comprise bank balances and call deposits that are readily convertible to known amounts of cash at or close to their carrying values and are subject to an insignificant risk of changes in value. Where call deposits are classified as cash equivalents, the related balances have a maturity of three months or less from the date of acquisition. Income on these assets is recognised on an effective interest rate basis.

#### *Loans and borrowings*

Interest-bearing loans and borrowings are initially recorded at fair value, being the fair value of the consideration received, net of attributable transaction costs. Subsequent to initial recognition, variable rate borrowings are measured at amortised cost using the effective interest rate methodology.

#### *Trade and other payables*

Trade and other payables are stated at amortised cost, which approximates to fair value given the short-dated nature of these assets.

### (b) Derivative financial instruments

The Group is exposed to market risks relating to fluctuations in interest rates and currency exchange rates. The Group has entered an interest rate swap to manage the exposure to the interest rate fluctuations on its borrowings. Foreign currency forward contracts are used to manage the Group's exposure to fluctuations in US dollar and sterling for forecasted transactions. The Group does not enter into speculative derivative contracts.

The fair value of the interest rate swap is determined by discounting the projected cash flows on the swap arrangement to present value using an appropriate market rate of interest. The fair value of foreign currency forward contracts is determined based on the present value of the quoted forward price.

Derivative financial instruments are initially recognised at fair value and are subsequently re-measured to fair value at each reporting date. The Group categorises derivative financial instruments as financial assets or liabilities at fair value through surplus or deficit or as cash flow hedges. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Income Statement, except for the effective portion of cash flow hedges, which are recognised in the Statement of Comprehensive Income (as described below).

#### *Cash flow hedges*

At the inception of a cash flow hedge, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk-management objective and strategy for undertaking the hedge.

Where a derivative financial instrument is designated as a cash flow hedge of a recognised liability, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the Statement of Comprehensive Income. The ineffective part of any gain or loss is recognised in the Income Statement immediately. The amount accumulated in equity is reclassified to the Income Statement in the same period that the hedged item affects surplus or deficit.

If the hedging instrument no longer meets the criteria for hedge accounting or the designation is revoked, the hedge accounting is discontinued prospectively.

## 9. Employee Benefits

### (a) Retirement benefit obligations

The Group, through the RTÉ Superannuation Scheme, the RTÉ Defined Contribution Pension Scheme, the RTÉ '50/50' Risk-Sharing Pension Scheme (a hybrid scheme that has both defined benefit and defined contribution elements) and other defined contribution schemes, makes pension contributions for a substantial number of employees.

In relation to the defined contribution schemes and the defined contribution element of the RTÉ '50/50' Risk-Sharing Pension Scheme, contributions are accrued and recognised in the Income Statement in the period in which they are earned by the relevant employees.

# Appendix to the Group Financial Statements – Accounting Policies (continued)

For the RTÉ Superannuation Scheme, a funded contributory defined benefit scheme, and the defined benefit element of the RTÉ '50/50' Risk-Sharing Pension Scheme, the difference between the market value of the scheme's assets and the actuarially assessed present value of the scheme's liabilities, calculated using the projected unit credit method, is disclosed as an asset/liability in the Statement of Financial Position, net of deferred tax (to the extent that it is recoverable). The amount charged to the Income Statement is the actuarially determined cost of pension benefits promised to employees earned during the year plus any benefit improvements granted to members during the year.

The Group determines the net interest expense/(income) by applying the discount rate used to measure the defined benefit obligation at the beginning of the period, on the net defined benefit liability/(asset) at the start of the period, taking into account changes during the period as a result of contributions and benefit payments. The net interest expense/(income) is shown as a financing item in the Income Statement. Remeasurements of the net defined benefit liability, returns on plan assets and the effect of the asset ceiling are recognised immediately in the Statement of Comprehensive Income.

When the benefits of a plan are changed, the resulting change in the benefit that relates to past service is recognised immediately in the Income Statement.

## **(b) Termination benefits**

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, if it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

## **(c) Short-term benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

## **10. Income Tax**

### **(a) Recognition**

Income tax comprises current and deferred tax. Income tax expense is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

### **(b) Current tax**

Current tax is the expected tax payable on the taxable income for the year, using the tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The Group's taxable income is liable to Irish corporation tax. The Group's licence fee revenue earned prior to 31 December 2006 was exempt from corporation tax.

### **(c) Deferred tax**

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are not subject to discounting and are measured at the tax rates that are anticipated to apply in the period in which the asset is realised or the liability is settled based on the tax rates and tax laws that have been enacted or substantively enacted at the year end date.

Deferred tax liabilities are recognised for all taxable temporary differences with the exception of the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither the accounting profit nor taxable profit or loss at the time of the transaction.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

## **11. Finance Income and Expenses**

Finance income comprises interest income on cash and liquid investments and fair value movements on derivative financial instruments that are recognised through the Income Statement.

Finance expenses comprise interest on borrowings, unwinding of the discount on restructuring costs and fair value movements on derivative financial instruments that are recognised through the Income Statement.

## **12. Dividend Income**

Dividends paid and received from group companies are included in the company financial statements in the period in which the related dividends are declared and approved.

## **13. Capital Grants**

Capital grants are recorded as deferred income and are released to the Income Statement on a basis consistent with the depreciation policy of the relevant assets. Revenue based grants are released to the Income Statement in the year in which they become due.



# Other Reporting Requirements

## Equality and Diversity

Both as an employer and a national broadcaster, RTÉ takes steps to actively promote equality and diversity. RTÉ's actions and initiatives in these areas are explained in further detail below.

### Equality and diversity in the workplace

As an employer, RTÉ recognises that the encouragement of diversity and the provision of equality of opportunity are essential for the efficiency and effectiveness of its work and for good relations among staff. Staff members are valued for their diverse contributions and are supported to realise their full potential.

In that regard, RTÉ has a Diversity Policy that forms part of the RTÉ Staff Manual. The Diversity Policy is supported by practice in areas such as recruitment and selection, working arrangements, and dignity and respect at work. As an example, RTÉ job vacancies are recruited, selected and promoted on the basis of merit and suitability to fulfil the requirements of advertised posts. Furthermore, the composition of all interview boards reflects an equitable balance of women and men.

In terms of gender equality among its workforce, at 31 December 2017, 52.7% of the RTÉ workforce was male and 47.3% female. At Board level, the *Broadcasting Act 2009* provides for gender balance in the composition of the Board by requiring that its members include no fewer than five men and five women. At 31 December 2017 there were six women and five men on the Board of RTÉ.

Recognising the importance of equality in the workplace, in July 2017 RTÉ engaged the services of Kieran Mulvey, former Director-General of the Workplace Relations Commission, to carry out an independent review of role and gender equality in the organisation. RTÉ published Mr. Mulvey's report, in full, on 1 November 2017. The independent review contained a number of important findings:

- The review found that RTÉ equals, and in various cases exceeds, national policy objectives and targets for gender-related employment
- The review found that RTÉ is ahead of the curve on the issue of gender pay and representation by comparison with other enterprises
- The review found that the pay differential at RTÉ overall shows a disparity of approximately 4%, which is significantly less than the general standard of 14% as quoted for the economy as a whole
- The review found that RTÉ is both a fair and equitable employer with good terms and conditions of employment for its employees.

Notwithstanding the above, the review made recommendations on transparency, grade alignment and reorganisation, and calls for structured policies on gender pay, diversity and reporting. The

Director Human Resources, in conjunction with Executive colleagues, is currently in the process of implementing the recommendations to include:

- The creation of a broader context in recruitment profile to include revival of graduate programmes (over time) and greater diversity in ethnicity reflective of Ireland's growing cosmopolitan society
- Making progress at entry levels to provide for more balanced gender representation in those areas with a high preponderance of either gender and to include proportions of females in more senior roles
- Addressing the complexity of current career grading structures to develop a more integrated structure to reduce gender disparities within grades through a conscious policy of role definition and career development

### Equality and Diversity on Air

As a public-service broadcaster, RTÉ is aware of the media's unique position of influence in promoting equality and diversity.

RTÉ's recently published strategy for 2018-2022, available on the RTÉ website, places diversity and inclusion at the heart of RTÉ's vision. In developing this strategy, RTÉ engaged extensively with stakeholders, staff and external diversity specialists.

As part of "Putting the audience first", one of the three key elements of the new strategy, RTÉ sets out an objective to become a leader in diversity and inclusion, both on and off air. RTÉ is determined to create content that reflects the diversity of an ever-evolving Ireland. Recent social changes have increased awareness of religious diversity, sexual orientation and gender diversity. This will necessitate a change in RTÉ's content and output, as well as in the organisation and its culture.

As part of the new strategy for 2018-2022, RTÉ has committed to:

- Invest in staff training
- Measure diversity on air
- Develop a new generation of current affairs talent
- Engage with and listen to minority audiences

The implementation of the strategy is currently in progress under the leadership of the Director-General and the members of the Executive.

Focusing on content production, the *RTÉ Programme Content Standards Guidelines* and the *RTÉ Journalism Guidelines* set out the editorial policies of RTÉ. These policies include specific provisions to promote diversity and gender equality and address important areas such as managing the risk of programming bias or gender stereotyping and promoting the importance of the use of gender-inclusive terms.

Note, this report also fulfils RTÉ's reporting requirements in accordance with the Council of Europe *Recommendation (CM/Rec(2013)1) of the Committee of Ministers to members states on gender equality and media* (adopted by the Committee of Ministers on 10 July 2013).

# Other Reporting Requirements (continued)

## Audience Council

Section 96 of the Broadcasting Act 2009 established the RTÉ Audience Council on a statutory basis. It provides a voice for the viewers and listeners with regard to RTÉ's output and delivery on its public remit. It advises the RTÉ Board on specific issues relating to RTÉ's public-service remit and audience needs.

The members represent a diverse range of interests and backgrounds and are appointed by the Board of RTÉ, taking into account the requirements of the *Broadcasting Act 2009*.

The members serve in a voluntary capacity, but may receive such out-of-pocket expenses as may be reasonably incurred in the performance of their functions. The RTÉ Board also appoints one of its members as an ex officio member of the Council.

In October 2016 RTÉ engaged in a public advertising campaign inviting members of the public to submit expressions of interest in joining its Audience Council. A number of further nominations came directly from members of the Board of RTÉ. After a short-listing process, a number of people were invited to RTÉ to discuss their ideas and the Board's views of how the Council should progress. The Board of RTÉ then selected 15 individuals (including the RTÉ Board member), representing a diverse range of interests and backgrounds. A small number of others were placed on a list should vacancies arise in the future.

The Board appointed Aengus MacGrianna, an RTÉ Board member, as the new Chair of the Audience Council.

Five meetings of the Audience Council took place in 2017, including a joint meeting with the Board of RTÉ, as provided for in the Act.

Further information on the Audience Council, its members and a summary of the meetings held during the year is available at <http://www.rte.ie/about/en/how-rte-is-run/2015/0518/701954-audience-council/>

## RTÉ Annual Statement of Performance Commitments 2017 (ASPC 2017)

### Introduction

Under the provisions of the *Broadcasting Act 2009*, RTÉ is obliged to fulfil three reporting requirements: preparation of a statement of strategy (s99); preparation of a public-service statement (s101) following a public consultation; and preparation of annual statements of performance commitments (s102). In fulfilment of statutory requirements, RTÉ's Statement of Strategy and Public-Service Statement, the second of such statements under the act, were submitted to the Minister in 2015 and are published on RTÉ.ie.

Pursuant to section 102(3) of the Act, RTÉ's ASPC 2017 was submitted to the BAI and the Minister in April 2017 and a version of same was subsequently published on RTÉ.ie.

This performance summary is presented in fulfilment of section 102(5) of the Act and, in compliance with section 102(4) of the Act, a separate and more detailed report on fulfilment or otherwise of commitments was submitted to the BAI and the Minister in April 2018.

## 2017 Performance Commitments with Measures (Year 5)

### AUDIENCE – REACH AND IMPACT

#### 1. RTÉ to provide a comprehensive portfolio of media services, which together reach across the spectrum of audience age groups to serve multiple needs

Key Measure/Initiative 2013-2017	2017 (Year 5) ASPC Measure	2017 Result
RTÉ One: Modernise the schedule, broadening the appeal for family audiences and 35-54 year olds	Consolidate peak TVRs among 35-54s at >6.7	Commitment achieved.
Note: All RTÉ One targets refer to combined data for RTÉ One and RTÉ One +1	Consolidate adult 15+ peak-time share at >26%	Commitment achieved.

Key Measure/Initiative 2013-2017	2017 (Year 5) ASPC Measure	2017 Result
<i>RTÉ2: Rebalance the schedule to target young people in Ireland</i>	Consolidate peak TVRs among 15-34s at >1.6	Commitment largely achieved. RTÉ2 achieved a peak TVR of 1.5 among 15-34s, marginally behind the target of 1.6. Overall TV viewing among adults 15-34 continues to fall, with sharper than anticipated declines in 2017.
	Consolidate 15-34s peak-time share at >7.7%	Commitment achieved.
<i>RTÉjr: Meet the needs of young children through a diverse schedule</i>	Maintain weekly reach among 4-7s at >16%	Commitment not achieved. RTÉjr achieved a weekly reach of 14% among 4-7s, 2 points below target. TV viewing among this age group fell more sharply in 2017 than envisaged, while online viewing continues to increase. RTÉ plans to enhance its understanding of children to provide content where and how they consume it.
<i>RTÉ Radio 1: Grow the 35-54 year-old audience by adjusting the tone and genre mix</i>	Maintain increased 'listened yesterday' reach among 35-54s at >24%	Commitment not achieved. RTÉ Radio 1 achieved a listened yesterday reach figure of 21% among adults 35-54. This was an ambitious target, following a strong year for the station in 2016. Numbers at work also increased in 2017, reducing the available audience.
	Maintain increased adult 15+ peak 7-7 share at >24%	Commitment not achieved. RTÉ Radio 1's 7-7 share was 22% in 2017, 2 points below target. Share dipped in 2017, following a good year of events and stories in 2016. It remains the most listened to station in Ireland, with more than one million tuning in every week.
<i>RTÉ 2fm: Grow the audience by creating relevant content for 20-44s</i>	Grow 'listened yesterday' reach among 20-44s to >15%	Commitment achieved.
	Grow 20-44 year-olds peak 7-7 share to >12%	Commitment achieved.
<i>RTÉ lyric fm: Achieve a wider, more diverse listenership by reaching out to listeners under 50</i>	Maintain 'listened yesterday' reach among 35-54s at >4%	Commitment achieved.
	Maintain adult 15+ peak 7-7 share at 2%	Commitment achieved.
<i>RTÉ Raidió na Gaeltachta: Grow its audience by reaching out to new audiences outside of the Gaeltachtaí and abroad</i>	Maintain 'listened yesterday' reach among 35-54s at >1%	Commitment achieved.
	Maintain weekly reach among adults 15+ at >3%	Commitment achieved.
<i>RTÉ.ie: Deliver quality RTÉ content to both Irish and international audiences</i>	Grow RTÉ.ie average weekly reach to >30%	Commitment achieved.
<i>RTÉ Player: Become the leading Irish on-demand television service</i>	Grow RTÉ Player average weekly reach to >26%	Commitment achieved.
<i>RTÉ News Now (RNN): Evolve Ireland's only multimedia news service to meet audience needs</i>	Grow RNN's television weekly reach among adults 15+ to >22%	Commitment not achieved. RNN television achieved an average weekly reach of 17%, 5 points below target, as audiences increasingly migrate to mobile. As part of its 'digital-first' strategy, RTÉ News & Current Affairs is reviewing the RNN television channel to explore how best to reach those who may not consume news and current affairs content on traditional platforms.
	Grow number of unique browsers, from the RTÉ news site and RNN mobile app to >3.1m	Commitment achieved.

## Other Reporting Requirements (continued)

Key Measure/Initiative 2013-2017	2017 (Year 5) ASPC Measure	2017 Result
<i>RTÉ on mobile and online: Grow mobile and online consumption of RTÉ's programming and content to both Irish and international audiences</i>	Rebuild RTÉ's average weekly reach via mobile and online to >48%	Commitment achieved.
	Maintain RTÉ's average monthly streams via mobile and online at >7.0m	Commitment achieved.
	Grow RTÉ's average monthly unique international browsers to >2.2m	Commitment achieved.
<i>RTÉ Aertel: Provide Ireland's leading information service</i>	Monitor RTÉ Aertel usage and weekly reach at >15%	Commitment achieved.
<i>RTÉ Archives: Develop and open up RTÉ Archives</i>	Increase numbers 'ever using' RTÉ Archives to >22%	Commitment not achieved. 19% of adults 18+ claim to have ever used RTÉ Archives, in line with previous results but 3 points behind target. RTÉ Archives is not a well-known brand, as many users will consume its content within programmes without attributing it to the brand. Traffic to RTÉ Archives online content, however, has increased significantly, as has engagement on social media. RTÉ has concluded an externally led review that will inform a clear future strategy for RTÉ Archives, Ireland's premier audio-visual archive.
<i>RTÉ Orchestras, Quartet &amp; Choirs: Offer Irish music lovers the highest quality live music experiences</i>	Rebuild number of audience attendances to >170,000	Commitment achieved.

### 2. RTÉ aims to connect with the lives of Irish people, to be trusted by them and be accountable to them

Key Measure/Initiative 2013-2017	2017 (Year 5) ASPC Measure	2017 Result
<i>RTÉ Overall: To connect with audiences through its full portfolio of services</i>	Maintain average weekly reach for all RTÉ services among adults 18+ at >90%	Commitment achieved.
	Maintain average weekly reach for all RTÉ services among 18-34s at >90%	Commitment achieved.
	Maintain average weekly reach for all RTÉ services among 35-54s at >90%	Commitment achieved.
	Maintain average weekly reach for all RTÉ services among 55+ at >90%	Commitment achieved.
<i>RTÉ Overall: To be an important part of Irish life and maintain audience trust</i>	Maintain public perception that RTÉ is an important part of Irish life at >80%	Commitment achieved.
	Rebuild public perception that RTÉ is trustworthy to >65%	Commitment achieved.
<i>RTÉ Overall: To represent the diversity of the people of Ireland</i>	Implement RTÉ's diversity strategy and action plan	Commitment not achieved. RTÉ made progress on a number of initiatives in 2017, including: a pilot project to measure on-air diversity, increasing the range of on-air contributors and diversity awareness training for staff.

## CONTENT – DISTINCTIVE AND QUALITY

### 3. RTÉ to reshape its television media services to best meet the changing needs of audiences with compelling content

Key Measure/Initiative 2013-2017	2017 (Year 5) ASPC Measure	2017 Result
<i>RTÉ One: Modernise the schedule, broadening the appeal for family audiences and 35-54 year olds</i>	Deliver genre mix within projected % range	Commitment achieved.
	Maintain audience perception of quality at >80	Commitment achieved.
<i>RTÉ2: Rebalance the schedule by increasing home-produced content and innovate in programming and production targeted at young people in Ireland</i>	Deliver schedule mix within % range	Commitment largely achieved. RTÉ2's factual and drama hours were marginally outside the target range. All other genres were within range.
	Maintain audience perception of quality at >80	Commitment achieved.

### 4. RTÉ to reshape its radio media services to best meet the changing needs of audiences with compelling content

Key Measure/Initiative 2013-2017	2017 (Year 5) ASPC Measure	2017 Result
<i>RTÉ Radio 1: Widen the appeal of the station to 35-54s and remain the national flagship radio station through a mixed-genre speech-and-music schedule</i>	Deliver diverse genre mix within projected % range	Commitment achieved.
	Maintain audience perception of quality at >80	Commitment achieved.
<i>RTÉ 2fm: Grow the target audience by creating relevant and targeted content. 2fm will refine its position in the Irish radio market as a key music and entertainment service</i>	Deliver genre mix within projected % range	Commitment achieved.
	Maintain audience perception of quality at >80	Commitment achieved.
<i>RTÉ lyric fm: Provide a unique alternative listening choice for an audience of classical, world music and arts lovers and reflect the interests of listeners throughout the schedule</i>	Deliver genre mix within projected % range	Commitment achieved.
	Maintain audience perception of quality at >80	Commitment achieved.
<i>RTÉ Raidió na Gaeltachta: Provide innovative content to connect listeners to a personalised authentic Gaeltacht and Irish-language world</i>	Deliver genre mix within projected % range	Commitment largely achieved. RTÉ Raidió na Gaeltachta's music and entertainment hours were marginally outside the target range. All other genres were within range.
	Maintain audience perception of quality at >80	Commitment largely achieved. Audience perception of quality in respect of RnaG was 76.8. RnaG is keen to better understand its audience. In 2018, in partnership with TG4 and Acadamh na hOllscolaíochta Gaeilge, RnaG launched a survey of Irish-language speakers, which will track reaction to programmes and engagement with the service.

# Other Reporting Requirements (continued)

## 5. RTÉ to develop its digital media services to best meet the changing needs of audiences with compelling content

Key Measure/Initiative 2013-2017	2017 (Year 5) ASPC Measure	2017 Result
<i>RTÉ Player: Become the leading Irish on-demand television service, giving audiences choice and control to enjoy RTÉ programmes wherever and whenever they choose</i>	Maintain score for audience perception of satisfaction with RTÉ Player at >80	Commitment largely achieved. RTÉ Player achieved a satisfaction score of 78% among users, 2 points below target. Results for RTÉ Player compare well with other on-demand services. It's Net Promoter score improved during 2017 and reach increased. The ambition, however, is to become an online television destination. The next generation RTÉ Player launches in 2018, offering enhanced functionality and ease of use.
<i>RTÉ.ie: Deliver RTÉ content to both Irish and international audiences through first-class user experience and multiplatform, multidevice availability</i>	Grow score for audience perception of satisfaction with RTÉ.ie to >80%	Commitment not achieved. Satisfaction with RTÉ.ie was 74%, 6 points behind target. However, this was up 3 points on 2016 and reach for the service is also trending upwards. A range of initiatives designed to broaden usage across the site has improved the user experience in 2017, and has delivered growth in the number of content areas consumed. Further research shows growth in 2017 in all ratings including perceptions of the content, ease of navigation and organisation.

## 6. RTÉ to continue to be a trusted and strong modern Irish source of domestic and global news and current affairs (N&CA), providing news coverage that is relevant to all, in both the English and Irish languages

Key Measure/Initiative 2013-2017	2017 (Year 5) ASPC Measure	2017 Result
<i>RTÉ News: Provide a trusted and strong modern Irish source of domestic and global N&amp;CA</i>	Deliver N&CA hours within % range on RTÉ One, RTÉ Radio 1 and RTÉ News Now	Commitment achieved.
	Maintain public perception that RTÉ provides trusted N&CA at >80%	Commitment achieved.
<i>RTÉ News Now: Evolve Ireland's only multimedia news service, RTÉ News Now, to meet audience needs, online, on mobile and on television</i>	Deliver schedule mix within % range	Commitment achieved.

## 7. RTÉ will continue to offer quality Irish content for children that explores and reflects their world via a multimedia offering across radio, television, online and mobile

Key Measure/Initiative 2013-2017	2017 (Year 5) ASPC Measure	2017 Result
<i>RTÉ Overall: Continue to offer quality Irish cross-platform content for children</i>	Maintain public perception that RTÉ offers a broad range of content and services for children at >50%	Commitment achieved.

See also RTÉjr in Commitment 1

## 8. RTÉ strives to reach out to all Irish-language speakers at home and abroad in its provision of Irish-language programming and services

Key Measure/Initiative 2013-2017	2017 (Year 5) ASPC Measure	2017 Result
<i>RTÉ Overall: Strive to reach out to all Irish-language speakers at home and abroad</i>	Maintain public perception that RTÉ provides a comprehensive service for Irish speakers at >50%	Commitment achieved.

See Commitment 4 regarding RTÉ Raidió na Gaeltachta

## CONTENT – CREATIVITY AND INNOVATION

### 9. Continue to deliver the big national events that bring the country together – whether they are the big entertainment events, news and political events or the big sporting occasions

Key Measure/Initiative 2013-2017	2017 (Year 5) ASPC Measure	2017 Result
<i>RTÉ Overall: Continue to deliver the big national events that bring the country together</i>	Maintain public perception that RTÉ enables me to connect with national events at >80%	Commitment achieved.

### 10. RTÉ will utilise digital technology to enhance the quality of its services and to make its content accessible to the widest possible audience

Key Measure/Initiative 2013-2017	2017 (Year 5) ASPC Measure	2017 Result
<i>RTÉ Overall: Make RTÉ content accessible to the widest possible audience across different devices and platforms</i>	Maintain public perception that RTÉ programmes and services are easily accessible on a range of devices at >80%	Commitment not achieved. Result was 72%, 8 points below target. RTÉ's content is widely available on TV platforms, on-demand services, over-the-top platforms including mobile, and on connected TVs. Saorview Connect launched in Q4 2017 (later than planned) increasing access to RTÉ Player. TV operators, device manufacturers and global platform owners increasingly own the access route to audiences, content and programmes. This and the cost of rights remain key challenges.

### 11. RTÉ aims to support and promote innovation and creativity both internally and among both the independent production sector and wider creative community

Key Measure/Initiative 2013-2017	2017 (Year 5) ASPC Measure	2017 Result
<i>RTÉ Overall: Support and promote innovation and creativity</i>	Maintain public perception that RTÉ is a creative organisation at >60%	Commitment achieved.
	Broadcast five pilots on RTÉ television	Commitment largely achieved. RTÉ piloted a number of innovative short series and formats on RTÉ One and a range of others on RTÉ Player.
<i>RTÉ Radio: Maintain a high proportion of first-run home-production on RTÉ Radio</i>	Maintain >80% of RTÉ Radio's FM output as first-run indigenous	Commitment achieved.
<i>RTÉ Television: Ensure a high proportion of home-production during peak time on RTÉ One</i>	Maintain indigenous hours as >70% of total peak-time hours on RTÉ One	Commitment achieved.
<i>RTÉ Radio and Television: Support the Irish independent production sector through commissioning radio and television programmes</i>	Meet statutory spending requirements, fulfilling obligations under S.116 of the Broadcasting Act 2009	Commitment achieved.

# Other Reporting Requirements (continued)

## 12. RTÉ aims to deliver bigger, more ambitious and more inclusive arts and culture content

Key Measure/Initiative 2013-2017	2017 (Year 5) ASPC Measure	2017 Result
<i>RTÉ Overall: Support arts activities in Ireland</i>	Maintain public perception that RTÉ supports arts activities in Ireland at >70%	Commitment largely achieved. 68% of the public agree that RTÉ supports arts activities in Ireland, 2 points behind target. In 2017, RTÉ supported more than 130 cultural and arts events across the country, via the Supporting the Arts scheme. In 2018, RTÉ strengthened its commitment to the arts by creating a Group Head of Arts and Culture.

## USE OF PUBLIC FUNDS

### 13. RTÉ is committed to meeting budgetary targets as set out in RTÉ's Interim Budget 2017

Key Measure/Initiative 2013-2017	2017 (Year 5) ASPC Measure	2017 Result
<i>Meet Interim Budget target for 2017</i>	Achieve agreed budget out-turn for the year	Commitment achieved.

### 14. Deliver a value-for-money service by ensuring that best value is achieved in all areas of the business and by continuing to make best use of the licence fee income

Key Measure/Initiative 2013-2017	2017 (Year 5) ASPC Measure	2017 Result
<i>Deliver the RTÉ portfolio of services within the operating cost target</i>	Operating cost budget and delivery of specified service targets achieved	Commitment achieved.
<i>Ensure the public funding for each service is within the specified thresholds</i>	Threshold ranges of public funding utilisation for 2017	Commitment largely achieved. Eight services were within the projected range. Three were above their thresholds, two of which exceeded the range by less than €1 million.
<i>Maintain public perception score that RTÉ is good value for money</i>	Maintain public perception that RTÉ is good value for money at 56%	Commitment achieved.
<i>Achieve PROC* target for 2017 Budget - % of total operating costs (before depreciation and amortisation)</i>	Meet PROC target	Commitment achieved.
<i>Maintain investment in staff learning and development to achieve strategic objectives</i>	Maintain learning and development budget to within the best-practice range of 1-4% of PROC* costs	Commitment not achieved. Due to the shortfall in commercial revenue during 2017, cuts were implemented across all discretionary spend areas, including L&D, in order to meet the operating budget deficit.

\* Personnel-Related Operating Costs



## 15. Operate RTÉ's commercial activities efficiently to maximise the net return for RTÉ's public-service activities

Key Measure/Initiative 2013-2017	2017 (Year 5) ASPC Measure	2017 Result
<i>RTÉ Commercial division: Achieve commercial revenue target</i>	Achieve commercial revenue target	Commitment not achieved. Television spot revenue, which accounts for 53% of commercial revenue, performed behind target in 2017. This was driven by Brexit uncertainty, sterling/euro exchange rates and continued weakness in FMCG.
<i>RTÉ Commercial division: Benchmark commercial performance against relevant industry indices</i>	Report on RTÉ commercial performance against relevant industry indices	Commitment achieved.

## OPEN, ACCOUNTABLE AND COLLABORATIVE

### 16. Implement the highest editorial standards, reviewing editorial guidelines in the context of legislation and codes of practice and minimising legal/regulatory corrective actions

Key Measure/Initiative 2013-2017	2017 (Year 5) ASPC Measure	2017 Result
<i>Ensure compliance with BAI editorial codes</i>	Code of Programme Standards	Commitment achieved.
	Code of Fairness, Impartiality and Objectivity in News and Current Affairs	Commitment largely achieved. One complaint was partly upheld.
<i>Maintain public confidence in the impartiality and objectivity of key output, such as news and current affairs, and build audience trust</i>	Maintain audience perceptions of 'fairness and impartiality' of <i>RTÉ News: Nine O'Clock</i> at >90%	Commitment achieved.
	Maintain audience perceptions of 'fairness and impartiality' of <i>Morning Ireland</i> at >90%	Commitment achieved.

### 17. Demonstrate leadership in access services by exceeding minimum standards and providing new/innovative services, where possible, to facilitate access to TV for those with sensory disabilities

Key Measure/Initiative 2013-2017	2017 (Year 5) ASPC Measure	2017 Result
<i>Ensure compliance with BAI access rules</i>	Meet all BAI targets	Commitment achieved.

### 18. Maintain the highest standards of corporate governance and business reporting, ensuring enhanced transparency and accountability

Key Measure/Initiative 2013-2017	2017 (Year 5) ASPC Measure	2017 Result
<i>Promote best practice in enterprise risk management (ERM)</i>	RTÉ Executive to identify the key risks capable of impacting the delivery of RTÉ's new 5-year strategy as part of the ongoing risk-management process	Commitment achieved.
<i>Demonstrate active compliance with RTÉ's Fair Trading policy via the annual public funding process</i>	Provide fair trading details to BAI and its appointed consultants for the 2017 annual review (in respect of 2016)	Commitment achieved.

# Other Reporting Requirements (continued)

## RTÉ Fair Trading Report 2017

RTÉ is committed to ensuring that its trading activities adhere to the principles of fair competition and are operated within the framework of EU and national legislation. In addition RTÉ has considered it appropriate to implement its own policy and procedures, the RTÉ Fair Trading Policy and Procedures, which are published on the RTÉ website.

The Fair Trading Committee, which was established to oversee the implementation of the policy and procedures, is a sub-committee of the RTÉ Board. The members of the sub-committee are Fionnuala Sheehan (Chair) and Deborah Kelleher. Fergus Armstrong was a member of the sub-committee until his term of office as a member of the RTÉ Board expired in November 2017. This sub-committee is responsible for the independent oversight of the Fair Trading Policy with regard to its implementation, with the ability to conduct periodic reviews of the policy as well as a review of the complaints procedure. The Fair Trading Officer, Paul Doyle, reports directly to the sub-committee. The sub-committee met five times in 2017.

Since 2016 the RTÉ Annual Report reflects the new structure, which established a Commercial Division managed separately from the IBDs responsible for the delivery of RTÉ's public-service activities. The Annual Report of RTÉ Commercial Enterprises Designated Activity Company reflected the transfer of activities between the company and RTÉ. This was undertaken to better align the role of the company to the new organisational structure.

The Fair Trading Committee monitored the restructuring of RTÉ during 2017 to ensure continued alignment with the Fair Trading Policy and Procedures. In accordance with the Fair Trading Policy and Procedures, a review of the market impact of RTÉ services was undertaken as part of the process of developing the RTÉ strategy 2018-2022.

The Fair Trading Officer continued to conduct briefing sessions for managers across RTÉ and provided advice on fair trading matters during 2017.

A public information campaign was run on radio, online and on social media during November/December 2016 to draw attention to the Fair Trading Policy and Procedures and it included specific reference to the complaints procedure. The campaign was repeated in May 2017 with the addition of television output. Two complaints were received in 2017 and reviewed by the Fair Trading Officer. The Fair Trading Officer's conclusions were that there was no reason to believe that any material market distortion had occurred. As a result of the reviews:

- RTÉ updated its approach to commercial communications for industry promotional groups and
- RTÉ personnel were advised to demonstrate clearer adherence to the Code of Business Conduct for RTÉ Employees.

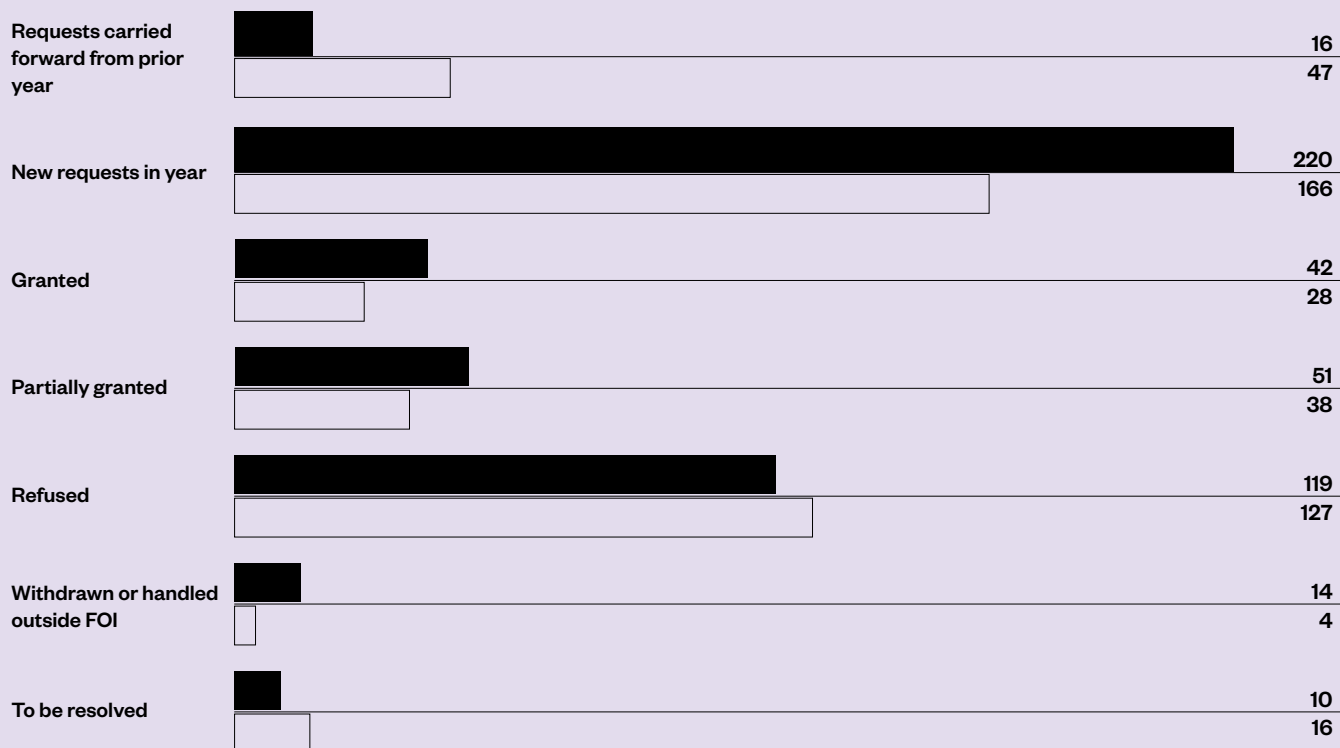
## Report under Section 22 of the Protected Disclosures Act 2014

Section 22 of the *Protected Disclosures Act 2014* requires RTÉ to publish an annual report relating to protected disclosures made under the *Protected Disclosures Act 2014*. In accordance with this requirement, RTÉ confirms that two protected disclosures were made during the year ending 31 December 2017. In both cases, the matter was referred to Internal Audit for further investigation in line with the RTÉ Good Faith Reporting Policy.

# Other Statistical Information

## FREEDOM OF INFORMATION REQUESTS TO RTÉ

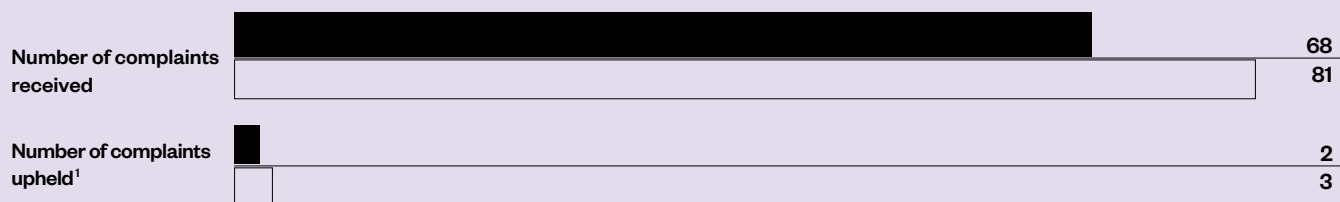
■ 2017 □ 2016



Source: RTÉ

## COMPLAINTS TO BROADCASTING AUTHORITY OF IRELAND ABOUT RTÉ OUTPUT

■ 2017 □ 2016



Source: RTÉ Data

1. In 2017 one complaint was fully upheld and one partly upheld by the BAI Compliance Committee against RTÉ output. The fully upheld complaint was in respect of *Morning Ireland* (RTÉ Radio 1, 31 July 2017) and the partly upheld complaint was in respect of *Eco Eye* (RTÉ One, 7 February 2017).

At 31 December 2017, BAI decisions are outstanding on 9 of the complaints made about RTÉ broadcasts in 2017.

# Financial History

	IFRS 2017 €'000	IFRS 2016 €'000	IFRS 2015 €'000	IFRS 2014 €'000	IFRS 2013 €'000
<b>INCOME STATEMENT</b>					
Television licence revenue	186,068	179,081	178,909	178,562	182,370
Commercial revenue	151,508	158,237	155,403	149,605	145,214
<b>Total revenue</b>	<b>337,576</b>	<b>337,318</b>	<b>334,312</b>	<b>328,167</b>	<b>327,584</b>
Operating costs (before depreciation, amortisation and exceptional items)	(334,520)	(343,448)	(320,262)	(311,894)	(306,919)
<b>EBITDA before exceptional items</b>	<b>3,056</b>	<b>(6,130)</b>	<b>14,050</b>	<b>16,273</b>	<b>20,665</b>
Depreciation and amortisation	(12,330)	(13,562)	(14,240)	(13,600)	(15,255)
Gain on disposal of assets	5,004	119	569	43	-
Exceptional items <sup>1</sup>	69,896	-	-	-	390
<b>Profit/(loss) from operating activities after exceptional items</b>	<b>65,626</b>	<b>(19,573)</b>	<b>379</b>	<b>2,716</b>	<b>5,800</b>
Net finance income/(expense)	(2,115)	217	(2,650)	(1,788)	(4,734)
Tax	(21,418)	(297)	(482)	(711)	(408)
<b>Surplus/(deficit) for the year</b>	<b>42,093</b>	<b>(19,653)</b>	<b>(2,753)</b>	<b>217</b>	<b>658</b>
<b>BALANCE SHEET</b>					
<b>Non-current and current assets</b>					
Property, plant and equipment	66,114	70,137	76,319	81,440	88,522
Intangible assets	3,212	2,020	2,155	3,157	4,121
Pension asset	50,910	29,064	46,749	1,837	9,899
Inventories	34,871	35,427	32,139	33,848	33,484
Other assets	166,825	71,404	82,267	76,517	80,991
<b>Total assets</b>	<b>321,932</b>	<b>208,052</b>	<b>239,629</b>	<b>196,799</b>	<b>217,017</b>
<b>Non-current and current liabilities</b>					
Employee benefits – restructuring	23,055	12,895	15,399	19,903	25,278
Retirement benefit obligation	-	-	-	19,188	-
Other liabilities	189,765	154,902	149,057	134,736	139,724
Total liabilities	212,820	167,797	164,456	173,827	165,002
Equity	109,112	40,255	75,173	22,972	52,015
<b>Total equity and liabilities</b>	<b>321,932</b>	<b>208,052</b>	<b>239,629</b>	<b>196,799</b>	<b>217,017</b>
<b>CASH FLOW</b>					
Net cash (absorbed)/generated from operating activities	(7,448)	(5,402)	9,108	2,447	5,076
Net cash outflow from acquisition of property, plant, equipment and intangible assets	(11,386)	(8,538)	(7,704)	(5,508)	(9,212)
Net proceeds from sale of property, plant and equipment	109,963	127	592	216	32
<b>EMPLOYEE HEADCOUNT</b>					
<b>Total at 31 December</b>	<b>1,924</b>	<b>1,984</b>	<b>1,978</b>	<b>1,899</b>	<b>1,856</b>

<sup>1</sup> Exceptional items includes gain on disposal of land, sales-enabling project costs, restructuring and other charges

# Notes





**RTÉ**

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